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STATE OF MONTANA

BILLINGS VOCATIONAL-TECHNICAL CENTER

Report on Audit

Conducted Under Contract by

Peggy J. Biekert *est*
Certified Public Accountant

Two Fiscal Years Ended June 30, 1983

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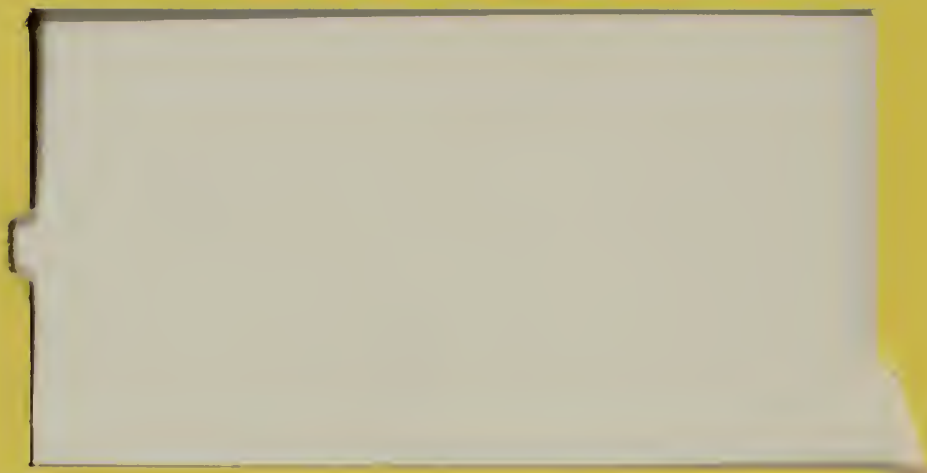
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Two Fiscal Years Ended June 30, 1983

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/449-3122



ROBERT R. RINGWOOD
LEGISLATIVE AUDITOR

October 1983

DEPUTY LEGISLATIVE AUDITORS:

JAMES H. GILLET
FINANCIAL/COMPLIANCE AUDITS

SCOTT A. SEACAT
PERFORMANCE AUDITS

STAFF LEGAL COUNSEL

JOHN W. NORTHEY

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of the Billings Vocational-
Technical Center for the two fiscal years ended June 30, 1983.

The audit was conducted by Peggy Biekert, CPA, under a contract
between the firm and our office. The comments and recommendations
contained in this report represent the views of the firm and not
necessarily the Legislative Auditor.

The agency's written response to the report recommendations is
included in the back of the audit report.

Respectfully submitted,

A handwritten signature in cursive script, reading "Robert R. Ringwood".
Robert R. Ringwood
Legislative Auditor

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ELECTED AND ADMINISTRATIVE OFFICIALS

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Ed Argenbright	Superintendent & Executive Officer of Vocational Education Services
----------------	--

Gene Christiaansen	Assistant Superintendent for Vocational Education Services
--------------------	---

BILLINGS VOCATIONAL TECHNICAL CENTER

Roger E. Bauer	Director (Resigned 8/26/83)
----------------	-----------------------------

J. Jeffrey Dietz	Acting Director
------------------	-----------------

Benjamin A. Ulmer	Assistant Director (Resigned 8/31/83)
-------------------	---------------------------------------

Alan J. Anderson	Associate Director
------------------	--------------------

Richard Peterson	Accountant
------------------	------------

BILLINGS SCHOOL DISTRICT NO. 2

Frank J. Kolendich, Chairperson	Term Expires April, 1984
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Karen T. Doolen, Vice Chairperson	April, 1984
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Hewes D. Agnew	April, 1985
----------------	-------------

Ellen Alweis	April, 1985
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Katharin Kelker	April, 1986
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Jim Logan	April, 1985
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Gerald Murphy	April, 1986
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Howard Simmons	April, 1986
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ADMINISTRATIVE OFFICIALS

Dr. William K. Poston, Jr. Ed. D	Superintendent
----------------------------------	----------------

Dick D. Reich	Supervisor of Accounting & Clerk
---------------	----------------------------------

SUMMARY OF RECOMMENDATIONS

As a separate section in the front of this audit report I include a listing of all recommendations together with a notation as to whether the agency concurs or does not concur with each recommendation. This listing serves as a means of summarizing the recommendations contained in the report and the audited agency's reply thereto and also as a ready reference to the supporting comments. The full replies of the Billings Vocational-Technical Center and the Office of Public Instruction (OPI) are included in the back of this report.

	<u>Page</u>
1. The Office of Public Instruction revert the overcollected millage to the state General Fund in accordance with House Bill 500.	6
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
2. The center, in consultation with the Office of Public Instruction, use the state central payroll system or seek legislative authority to use another system.	6
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
3A. Ensure employee authorizations for payroll deductions are maintained on a current basis.	7
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
3B. Ensure all payroll computer programs and changes are reviewed for propriety to verify input accuracy.	7
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
4. The center work with the Department of Administration and eliminate intra-fund cash transactions at fiscal year-end.	7
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
5A. Properly record DFAFS authorizations and collections in accordance with the SBAS Vo-Tech Procedures Manual.	8
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
5B. Transfer any student aid program cash balances remaining at fiscal year-end back into the DFAFS account.	8

SUMMARY OF RECOMMENDATIONS (Continued)

	<u>Page</u>
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
6A. Establish the appropriate deferral and receivable for their work order parts outstanding at fiscal year-end if applicable to the subsequent fiscal year.	9
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
6B. Establish procedures to determine outstanding work orders at year-end.	9
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
7A. Work with OPI to establish appropriate administering agencies for its accounting entities.	9
<u>Agency Reply:</u> Concur - See Page 73	
<u>OPI Reply:</u> Concur - See Page 76	
7B. Return to the state \$9,274 that was debited to cash when the funds had not been transferred to the state at year end.	9
<u>Agency Reply:</u> Concur - See Page 74	
<u>OPI Reply:</u> Concur - See Page 76	
8. Reconcile the accounts receivable on a regular basis and reconcile manual control accounts to SBAS.	10
<u>Agency Reply:</u> Concur - See Page 74	
<u>OPI Reply:</u> Concur - See Page 76	
9A. Record inventory in accordance with generally accepted accounting principles.	10
<u>Agency Reply:</u> Concur - See Page 74	
<u>OPI Reply:</u> Concur - See Page 76	
9B. Reconcile the physical ending inventory amount with the amount appears on SBAS.	10
<u>Agency Reply:</u> Concur - See Page 74	
<u>OPI Reply:</u> Concur - See Page 76	
10. Establish guidelines for administrating the endowment and establish proper responsibility for following the guidelines.	10

SUMMARY OF RECOMMENDATIONS (Continued)

Page

Agency Reply: Concur - See Page 74

OPI Reply: Concur - See Page 76

11. In cooperation with OPI and Department of Administration, develop expenditure programs and budgets in compliance with generally accepted accounting principles. 11

Agency Reply: Concur - See Page 74

OPI Reply: Concur - See Page 76

12. Recommend the center ensure that their fund structure is in accordance with generally accepted accounting principles. 12

Agency Reply: Concur - See Page 74

OPI Reply: Concur - See Page 76

13. Recommend the center correct the internal control problems described. 13

Agency Reply: Concur - See Page 74

OPI Reply: Concur - See Page 76

COMMENTS

INTRODUCTION

I performed a financial compliance audit of the Billings Vocational-Technical Center for the two fiscal years ended June 30, 1983. My audit objectives were to:

1. Present an opinion on the center's financial statements prepared in accordance with generally accepted accounting principles for the fiscal years ended June 30, 1982 and 1983;
2. Determine that the center complied with applicable laws and regulations;
3. Verify enrollment and student contact hours reported by the center; and
4. Make recommendations for improvement in the management and internal controls of the center.

Beginning July 1, 1980, the center adopted the capabilities of the Statewide Budgeting and Accounting System (SBAS) to provide financial accountability to center management and comparability between its accounting records and those of the other state vocational-technical centers. The center's payroll is processed by the school district.

In accordance with section 5-13-307, MCA, I analyzed the costs of implementing the recommendations made in this report.

I thank the center's director, the superintendent of schools, the Office of Public Instruction and their staffs for their cooperation and assistance during my audit.

CENTER BACKGROUND AND ORGANIZATION

The Billings center was designated as a state vocational-technical center by the legislature in 1969. Student enrollment in spring of 1982 was 594 and in 1983 549. The student faculty ratio, based on 1982 fall enrollment figures, was 15.61 to 1. The center offers instruction in thirteen major programs:

1. Accounting/Bookkeeping
2. Agricultural Mechanics
3. Air Conditioning and Refrigeration
4. Auto Body Repair
5. Automobile Mechanics
6. Combination Welding
7. Diesel Mechanics
8. Drafting
9. Food Service Occupations
10. Mid-Management
11. Practical Nursing
12. Secretarial
13. Nurse Assistant/Aide

An audit report on the center's financial aid programs will be found on pages 36 through 71.

GENERAL FUND REVERSIONS

House Bill 500, enacted by the 47th legislature, gave all five state vocational-technical centers, state fund appropriations "contingent upon each county in which the center resides levying 1.5 mills each fiscal year. Millage received by the centers from the 1.5 mill levy over \$765,101 in fiscal 1982 and \$804,733 in fiscal 1983 will revert a like amount to the general fund each year."

The bill states, "The Superintendent of Public Instruction may transfer fund. . between vocational educational centers."

The over collection of \$7,624 from Billings for fiscal year-ended June 30, 1982 has been transferred back to OPI.

The Office of Public Instruction (OPI) should determine the actual collections for the five centers and revert to the State General Fund over-collections for the two fiscal years ended June 30, 1982 and June 30, 1983.

Billings Vocational-Technical Center over-collections are shown in the table below.

<u>Estimated and Actual Collections</u> <u>For Fiscal Years 1982 and 1983</u>			
<u>Year</u>	<u>Estimated Millage</u>	<u>Actual Millage Collections</u>	<u>Over (Under) Collected</u>
1982	278,022	301,540	23,518
1983	292,494	325,509	33,085

RECOMMENDATION NO. 1

I RECOMMEND THE OFFICE OF PUBLIC INSTRUCTION REVERT ANY OVERCOLLECTED MILLAGE TO THE STATE GENERAL FUND IN ACCORDANCE WITH HOUSE BILL 500.

PAYROLL SYSTEM

House Bill 483, 46th Legislature, states that as of July 1, 1980, . . . personal service expenditures of the vocational education centers shall be processed through the central payroll system established pursuant to section 2-18-401, MCA.

Because the center has certain unique payroll processing requirements, it did not adopt the central payroll system. Section 2-18-401, MCA, allows the State Auditor to make exceptions from the use of a uniform state central payroll system for such periods as he determines necessary. State Auditor's Office personnel stated that they exempted all vo-tech centers from using central payroll; however, they could not provide me with written documentation of the exemption. The Vo-Tech SBAS Procedures Manual prepared by the Department of Administration states that all vo-tech employees will continue to be paid through the school district's payroll system.

There is a conflict between legislative intent, state law, and the Vo-Tech SBAS Procedures Manual for processing the center's payroll that should be resolved.

RECOMMENDATION NO. 2

I RECOMMEND THE CENTER IN CONSULTATION WITH THE OFFICE OF PUBLIC INSTRUCTION USE THE STATE CENTRAL PAYROLL SYSTEM OR SEEK LEGISLATIVE AUTHORITY TO USE ANOTHER SYSTEM.

Income Tax Withholding

I noted several problems in the school district's handling of tax withholding on the center's payroll. Following is a discussion of the various areas of concern.

1. Many of the employees tested did not have a current W-4 in their payroll file. Due to this, the withholding rate was incorrect. In effect, the payroll department changed the withholding status and/or allowances without an employee signed W-4 form.
2. The computer output should be checked with W-4 information on a regular basis to insure that the amounts withheld are correct. This would also insure that the computer program is correctly calculating amounts for federal and state income taxes.

This comparison should be done by someone independent of the input process to verify input accuracy.

RECOMMENDATION NO. 3

I RECOMMEND THE CENTER ENSURE:

- A. EMPLOYEE AUTHORIZATIONS FOR PAYROLL DEDUCTIONS ARE MAINTAINED ON A CURRENT BASIS.
- B. ALL PAYROLL COMPUTER PROGRAMS AND CHANGES ARE REVIEWED FOR PROPRIETY TO VERIFY INPUT ACCURACY.

ACCOUNTING ISSUES AND FINANCIAL STATEMENT ADJUSTMENTS

I noted several accounting and recording problems during my audit testing, which resulted in financial statement adjustments. The majority of these problems occurred because of the center's unfamiliarity with SBAS. The center should work with the Office of Public Instruction to implement procedures to correct the accounting problems described below.

Cash Elimination

The Department of Administration established a procedure automatically restating the cash in treasury account that would normally be used during the fiscal year-end adjustment period. This procedure, as outlined in Management Memo 2-83-2, was intended to avoid misstatement of cash on the balance sheet at June 30.

During the fiscal year-end 1981-82 and 1982-83 adjustment period, state agencies continued to pay fiscal year 1981-82 and 1982-83 claims.

The procedure established by the Department of Administration eliminated the majority of entries to cash accounts by recording an accounts receivable or payable.

By using this procedure certain fund liabilities and assets are inflated. Consequently, the center overstated their receivables and payables within the Current Unrestricted Fund by 0 and \$466 at June 30, 1982 and June 30, 1983. The center should eliminate cash restatement transactions within funds.

RECOMMENDATION NO. 4

I RECOMMEND THE CENTER WORK WITH THE DEPARTMENT OF ADMINISTRATION AND ELIMINATE INTRAFUND CASH TRANSACTIONS AT FISCAL YEAR-END.

DFAFS Funded Programs

The center's student financial aid programs are funded through the Departmental Federal Assistance Financing System (DFAFS).

The center properly established a receivable from the federal government and a fund balance account for the unexpended balance of the initial financial aid authorization at the beginning of fiscal year 1981-1982 in the DFAFS account, but an adjustment on an award was not made. When the funds are received, the receivable and unexpended balance were to be reduced. Instead, some of the funds were deposited directly into the accounting entities established for the various financial aid programs. Numerous errors in recording authorizations and adjustments were made in fiscal 1982-1983. This resulted in overstating the above receivable and unexpended balance accounts by \$9,561 and \$188,027 within the Agency Fund on SBAS at June 30, 1982 and 1983, respectively.

According to the SBAS Vo-Tech Procedures Manual, the initial accounting for all awards and authorizations made to a center must flow through a DFAFS accounting entity on SBAS. As funds for these programs are received, they are to be deposited into DFAFS and subsequently transferred to the various financial aid programs as needed.

The manual on Accounting, Recordkeeping and Reporting by Colleges and Universities for Federally Funded Student Financial Aid Programs contains a recommended accounting policy that any cash balances remaining in the student aid programs at fiscal year-end be transferred back into the DFAFS account. The center did not transfer the following cash balances to the DFAFS account at fiscal year-ends 1982 and 1983:

	<u>1982</u>	<u>1983</u>
College Work-Study	\$ 254	\$ 32
Supplemental Education Opportunity Grant	\$ -0-	\$ 150
Pell Grant	\$ 959	\$1,939

RECOMMENDATION NO. 5

I RECOMMEND THE CENTER:

- A. PROPERLY RECORD DFAFS AUTHORIZATIONS AND COLLECTIONS IN ACCORDANCE WITH THE SBAS VO-TECH PROCEDURES MANUAL.
- B. TRANSFER ANY STUDENT AID PROGRAM CASH BALANCES REMAINING AT FISCAL YEAR-END BACK INTO THE DFAFS ACCOUNT.

Unrecorded Work Order Receivables

The air conditioning and refrigeration, auto body, auto mechanics, welding, and diesel mechanics programs maintain work order systems for projects in process. Students in these programs service and repair items received from faculty members, students, and outside sources as part of their training.

When the parts for the projects are purchased, they are expensed and charged to a work order. The cost of these parts is charged to the customer at a 15 percent markup when the work is complete and picked up at the center.

At fiscal year-end June 30, 1982, and June 30, 1983, \$6,150 and \$4,558, respectively, worth of parts had been purchased on outstanding work orders. Either the work order item was complete and not paid for or the work was only partially complete.

At fiscal year-end, the center should establish a receivable and a related deferred revenue for the amount of any outstanding work order parts plus markup. Failing to do this at June 30, 1982, and 1983 resulted in an understatement in these accounts of \$7,073 and \$5,242 within the Current Designated Fund on SBAS.

RECOMMENDATION NO. 6

- A. I RECOMMEND THE CENTER ESTABLISH THE APPROPRIATE DEFERRAL AND RECEIVABLE FOR THEIR WORK ORDER PARTS OUTSTANDING AT FISCAL YEAR-END IF APPLICABLE TO THE SUBSEQUENT FISCAL YEAR.
- B. I RECOMMEND THE CENTER ESTABLISH PROCEDURES TO DETERMINE OUTSTANDING WORK ORDERS AT YEAR END.

Cash Transfer

The Office of Public Instruction (OPI) is the administering agency for six of the center's accounting entities. These accounting entities include millage and tuition, federal funds and primary operations pool.

As the administering agency, all of the center's cash balances within these entities at year-end automatically transferred to OPI during the SBAS closing process. This resulted in the understatement of cash and fund balance of \$163,722 in 1982 and \$236,270 in 1983 in the Current Unrestricted Fund. In 1982-1982 year-end cash of \$9,274 from tuition was not transferred to OPI but \$9,274 was transferred to BVTC when the other accounting entities cash was returned. This resulted in Tuition at fiscal year-end June 30, 1983 being overstated by \$9,274.

The center should work with the Office of Public Instruction to establish the appropriate administering agency for these accounting entities and report the cash on its own accounting records.

RECOMMENDATION NO. 7

I RECOMMEND THE CENTER:

- A. WORK WITH THE OFFICE OF PUBLIC INSTRUCTION TO ESTABLISH APPROPRIATE ADMINISTERING AGENCIES FOR ITS ACCOUNTING ENTITIES.
- B. RETURN TO THE STATE \$9,274 THAT WAS DEBITED TO CASH IN TUITION ACCOUNTING ENTITY IN ERROR.

Accounts Receivable

Receivables are manually posted with adjustments to Statewide Budgeting and Accounting System (SBAS) is made at year end. The individual receivable accounts should be reconciled to the control account on a monthly basis and the year-end SBAS control account and the manual control account should be reconciled.

RECOMMENDATION NO. 8

I RECOMMEND THE CENTER RECONCILE THE ACCOUNTS RECEIVABLE ON A REGULAR BASIS AND RECONCILE MANUAL CONTROL ACCOUNTS TO SBAS.

Inventory

The June 30, 1983, inventory was placed on SBAS at selling price. The June 30, 1982, inventory had not been transferred to the expenditure account before the June 30, 1983 inventory was placed on SBAS.

The result was that inventory at June 30, 1983 was not in accordance with generally accepted accounting principles and was overstated. The inventory for financial reporting purposes has been adjusted to record the inventory at FIFO and to remove the June 30, 1982 inventory.

RECOMMENDATION NO. 9

- A. I RECOMMEND THAT THE CENTER RECORD INVENTORY IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.
- B. I RECOMMEND THAT THE CENTER RECONCILE THE ENDING PHYSICAL INVENTORY AMOUNT WITH THE AMOUNT THAT APPEARS ON THE FINANCIAL RECORDS.

Endowment

On December 28, 1981, an endowment of \$11,320 was received to be used in the nursing program.

Currently responsibility for administering the endowment funds has not been established. Guidelines on use of the funds have not been established.

RECOMMENDATION NO. 10

I RECOMMEND THAT THE CENTER ESTABLISH GUIDELINES FOR ADMINISTERING THE ENDOWMENT AND ESTABLISH RESPONSIBILITY FOR ADMINISTERING THE GUIDELINES.

FINANCIAL STATEMENT REPORTING

Following is a discussion of adjustments I recommend the center, in cooperation with the Department of Administration and OPI, make to the center's ac-

counting records and the SBAS Vo-Tech Procedures Manual to comply with generally accepted accounting principles.

Expenditure Programs

Montana's vocational-technical centers have only one expenditure program, "Vo-tech operations." Programs are used to identify the basic purposes for which moneys have been expended. Generally accepted accounting principles require the reporting of expenditures by function. The center's financial statements must be prepared in accordance with generally accepted accounting principles as detailed in College and University Business Administration (CUBA). Restructuring SBAS to provide for more than one expenditure program would facilitate the financial statement preparation and provide detailed management information.

The expenditure categories required by generally accepted accounting principles are Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, Scholarships and Fellowships, Transfers, and Auxiliary.

The center budgets all expenditures by using a program concept rather than by category in accordance with state appropriation and OPI requirements.

Section 20-7-323, MCA, defines the three budget categories to be used by post secondary vocational-technical centers as:

- 1) maintenance and operation,
- 2) construction,
- 3) ancillary services.

To provide center management with useful budget information, the budgets should be reported by functions as shown by the expenditure categories listed above.

The Superintendent of Public Instruction, as sole authority for the center's programs and budget approval, should seek changes to the law on program and budget categories to comply with generally accepted accounting principles.

RECOMMENDATION NO. 11

I RECOMMEND THE CENTER, IN COOPERATION WITH THE OFFICE OF PUBLIC INSTRUCTION AND DEPARTMENT OF ADMINISTRATION, DEVELOP EXPENDITURE PROGRAMS AND BUDGETS IN COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

Fund Structure

The center's state appropriations, millage and tuition, and federal funds are initially recorded in the SBAS General, Earmarked Revenue, and Federal and Private Revenue Funds, respectively. Subsequently, this money is transferred to the center's current funds to cover expenditures. Generally accepted accounting principles for vocational-technical centers does not allow the use of the General, Earmarked Revenue, and Federal and Private Revenue Funds.

Sources of financing for post secondary vocational-technical center budgets, as described by section 20-7-324, MCA, should be accounted for initially by the Office of Public Instruction (OPI) in the General Fund, Earmarked Revenue Fund, or

Federal and Private Revenue Fund, as appropriate. OPI would then make transfers from these funds to the center's current funds to cover expenditures. Other financing sources not covered by section 20-7-324, MCA, such as the Additional (Voted) Levy (section 20-7-326, MCA), student financial aid money or other money not distributed through OPI to the center, could be recorded in the appropriate fund in the center's accounting records.

RECOMMENDATION NO. 12

I RECOMMEND THE CENTER ENSURE THAT THEIR FUND STRUCTURE IS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

INTERNAL CONTROL

I have examined the financial statements of Billings Vocational Technical Center (BVTC) for the two fiscal years ended June 30, 1982, and June 30, 1983, and have issued my report thereon dated September 23, 1983. As part of my examination I made a study and evaluation of the system of internal accounting control of BVTC to the extent considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities and Functions. For the purpose of this report, I have classified the significant internal accounting controls in the following categories:

1. revenue/receipts;
2. payroll;
3. expenditures;
4. cash;
5. plant, property, and equipment;
6. accounts receivable;
7. inventories.

The purpose of my study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the entity's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The management of BVTC is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of BVTC taken as a whole or on any of the categories of controls identified in the first paragraph. However, my study and evaluation disclosed conditions that are listed in this report that I believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of BVTC may occur and not be detected within a timely period.

The preceding paragraphs are intended solely for the use of management and the legislature and should not be used for any other purpose. This restriction as to

use is not intended to limit the distribution of this document which, upon acceptance by the Legislative Audit Committee is a matter of public record.

Equipment Controls

The center does not have adequate documentation on PAMS of its equipment. Section 17-1-102(2), MCA, requires all state agencies to have an adequate property management system. Prior to fiscal year 1981-1982, the center's major equipment purchases, items over \$300, were recorded on a manual system. The old inventory records contained serial numbers and full descriptions of the equipment. The PAMS' records did not provide information to trace the center's equipment listing and subsequently to the item's physical existence. The old manual system and new PAMS' records had to be used to identify the equipment items tagged.

Problems noted in physical control are outlined below:

- (1) The PAMS' inventory sheets of equipment items maintained by the center did not always include all necessary information regarding the assets. For example, the listing did not include the serial numbers for all items. According to rules established by the Office of Public Instruction (section 10.41.127, ARM), each institution must maintain a current inventory of equipment initially costing \$300 or more which was purchased, leased, or rented with federal/state vocational funds.
- (2) The amounts expended for equipment on SBAS should be reconciled with the amounts capitalized on PAMS.

Other Controls

Following are additional internal control weaknesses that I believe warrant management attention.

Food Service Receipts

- (1) The food service cashier reconciles daily cash receipts to the cash register tape and takes the cash to the Administration Office to be receipted after each meal. The cash receipts should be counted in front of the food service person and a receipt form issued immediately for the amount of cash received.

Computer

Payroll is processed at SD No. 2 online. All users have a user password and each program has a password. Program passwords are displayed on the screen when input.

To ensure only authorized access to programs, all passwords should be changed on a regular basis. Each user password should restrict that user to authorized program.

RECOMMENDATION NO. 13

I RECOMMEND THE CENTER CORRECT THE INTERNAL CONTROL PROBLEMS DESCRIBED ABOVE.

FULL-TIME EQUIVALENT STUDENTS

A major funding criteria for the center is the number of full-time equivalent (FTE) students who are registered at BVTC. FTEs are computed in accordance with guidelines published by the Commissioner of Higher Education.

FEDERAL GRANTS

Introduction

BVTC received grants from the various Federal agencies indicated on the Schedules of Federal Grants Expenditures on page 35.

FEDERAL COMPLIANCE

The Office of Management and Budget (OMB) circulars A-21 and A-110 establish audit requirements for institutions of higher education receiving federal assistance. I performed my audit in accordance with those guidelines and accordingly reviewed the following areas:

1. eligibility determination,
2. internal control and reporting systems,
3. auditing and monitoring of subgrantees, and
4. cost allowability.

During my review I noted no compliance problems in the grants selected for compliance and nothing came to my attention that caused me to believe that untested compliance issues are not in accordance with applicable laws and regulations.

The center received federal vocational education funds from the Office of Public Instruction and federal Comprehensive Employment Training Act (CETA) moneys during my audit period. These grants were included in my expenditures testing. I tested for compliance with applicable regulations. Nothing came to my attention indicating possible non-compliance in items not tested.

SUMMARY

Several of the comments and recommendations in this report result from a lack of policy direction from the Office of Public Instruction and questions as to which state laws and regulations are applicable to the center. These and other concerns would be resolved if there were a clarification of the center's status as a state agency and the applicability of various state laws and policies to the center.

Prior Audit Recommendations

The 1980-1981 Audit Report for Billings Vocational Technical Center contained 16 recommendations still applicable to the center. The following table shows the status of implementation of these prior recommendations.

Recommendation	Implemented	Partially Implemented	Not Implemented	Total
1. OPI revert overcollected millage			1	1
2. Authority too use payroll system			1	1
3. Employees paid timely	1			1
4. Employee authorization for deductions current			1	1
Payroll programs reviewed for propriety				
5. Leases recorded according GAAP	1			1
6. Record expenditure accruals according to GAAP	1			1
7. Intra-fund cash transaction elimination at fiscal year-end			1	1
8. Properly record DFAFS			1	1
Transfer cash balance to DFAFS at year end				
9. Deferral and receivables for work orders			1	1
10. Record all sales not paid at year end as receivables	1			1
11. Properly defer or accrue fiscal year end revenue	1			1
12. Establish appropriate administrative agencies for accounting entities			1	1
13. Develop expenditure programs and budgets in compliance with GAAP			1	1
14. Ensure fund balance is in accordance with GAAP			1	1
15. Correct internal control problems		1		1
16. Comply with regulation FTE	$\frac{1}{6}$	$\frac{1}{1}$	$\frac{9}{9}$	$\frac{1}{16}$

Of the above 10 recommendations, which were partially implemented or not implemented, the center had concerned with all of the recommendations.

The recommendations not implemented or partially implemented are discussed in this report on pages 6 through 14.



Peggy Biekert, CPA

234 E. Babcock
P.O. Box 1301
Bozeman, MT 59715
(406) 586-7371

FNI Building
P.O. Box 671
Ennis, MT 59729
(406) 682-4635

September 23, 1983

The Legislative Audit Committee
of the Montana State Legislature:

I have examined the accompanying Balance Sheet of Billings Vocational-Technical Center at June 30, 1982 and June 30, 1983, and the related Statements of Changes in Fund Balances and Current Funds Revenue, Expenditures, and Other Changes for the two fiscal years ended June 30, 1982, and June 30, 1983. I have not examined the financial statements of school district Number 2 and, therefore, am not expressing an opinion on those financial statements. My Examination was made in accordance with generally accepted auditing standards, and in accordance with the AICPA Industry Audit Guide, Audits of Colleges and Universities, and the General Accounting Office Standards for Audits of Governmental Organizations, Programs, Activities, and Functions and, accordingly, included such test of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the financial statements referred to in the first paragraph present fairly the financial position of such funds of Billings Vocational-Technical Center at June 30, 1982 and June 30, 1983, and the results of its operations and the changes in fund balances of such funds for the two fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis except for the changes, with which I concur, in reporting of equipment (Note 4) and compensated absences (Note 8).

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules: Schedule of Grant Expenditure, Schedule of Capital Projects, and the Schedule of Full-Time Equivalent Students for the two fiscal years ending June 30, 1982, and June 30, 1983, are presented as supplemental information and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied on my examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Peggy J. Biekert, CPA
Contract Auditor

BILLINGS VOCATIONAL TECHNICAL CENTER

BALANCE SHEET

June 30, 1983

ASSETS

CURRENT FUNDS:

Unrestricted:

Cash
Accounts Receivable
Deferred Accounts Receivable

\$ 236,520
4,312
2,525

Total Assets

\$ 243,357

Designated:

Cash
Accounts Receivable
Merchandise Inventory
Total Assets

\$ 32,260
6,890
14,983
\$ 54,133

LIABILITIES AND FUND BALANCES

CURRENT FUNDS:

Unrestricted:

Accounts Payable
Due to State
Accrued Expenditures
Receipts Collected in Advance
Vacations and Sick Leave (Note 8)
Fund Balance

\$ 67,456
9,274
17,740
31,533
24,952
92,402

Total Liabilities and Fund Balances

\$ 243,357

Designated:

Accounts Payable
Receipts Collected in Advance
Fund Balance
Total Liabilities and Fund Balances

\$ 3,413
5,242
45,478
\$ 54,133

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL TECHNICAL CENTER

BALANCE SHEET

June 30, 1983

ASSETS

CURRENT FUNDS:

Auxiliary:

Cash

Accounts Receivable

Merchandise Inventory

Total Assets

\$ 19,961
1,725
26,220
\$ 47,906

Restricted:

Cash

Accounts Receivable

Total Assets

\$ 2,783
7,261
\$ 10,044

LIABILITIES AND FUND BALANCES

CURRENT FUNDS:

Auxiliary:

Accounts Payable

Fund Balance

Total Liabilities and Fund Balances

\$ 1,668
46,238
\$ 47,906

Restricted:

Accounts Payable

Fund Balance

Total Liabilities and Fund Balances

\$ 691
9,353
\$ 10,044

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL TECHNICAL CENTER

BALANCE SHEET

June 30, 1983

ASSETS

AGENCY FUND

Cash

Merchandise Inventory

Total Assets

\$ 3,754
1,289
\$ 5,043

LIABILITIES AND FUND BALANCES

AGENCY FUND

Accounts Payable

Deposits Held in Custody for Others

Total Liabilities and Fund Balances

\$ 1,129
3,914
\$ 5,043

PLANT FUNDS

Investment in Plant (Note 4)

Equipment

Total Invested in Plant Fund

\$ 657,097
\$ 657,097

PLANT FUNDS

Investment in Plant (Note 4)

Obligation Under Capital Leases (Note 6)

Net Investment in Plant

Total Invested in Plant Fund

\$ 9,234
647,863
\$ 657,097

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL TECHNICAL CENTER
BALANCE SHEET
June 30, 1982

ASSETS

CURRENT FUNDS:

Unrestricted:

Cash

Accounts Receivable

\$ 173,246
6,303

Total Assets

\$ 179,549

Designated:

Cash

Accounts Receivable

\$ 24,581
7,091

Total Assets

\$ 31,672

LIABILITIES AND FUND BALANCES

CURRENT FUNDS:

Unrestricted:

Accounts Payable

Accrued Expenditures

Receipts Collected in Advance

Vacation and Sick Leave (Note 8)

Fund Balance

\$ 52,049
11,224
27,578
24,000
64,698

Total Liabilities and Fund Balances

\$ 179,549

Designated:

Accounts Payable

Accrued Expenditures

Receipts Collected in Advance

Fund Balance

\$ 5,732
147
7,072
18,721

Total Liabilities and Fund Balances

\$ 31,672

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL TECHNICAL CENTER

BALANCE SHEET

June 30, 1982

ASSETS

CURRENT FUNDS:

Auxiliary:

Cash
Accounts Receivable
Merchandise Inventory
Total Assets

\$ 7,963
447
43,520
\$ 51,930

Restricted:

Cash
Accounts Receivable
Total Assets

\$ 8,682
214
\$ 8,896

LIABILITIES AND FUND BALANCES

CURRENT FUNDS:

Auxiliary:

Accounts Payable
Accrued Expenditures
Fund Balance
Total Liabilities and Fund Balances

\$ 7,735
18
44,177
\$ 51,930

Restricted:

Accounts Payable
Accrued Expenditures
Fund Balance
Total Liabilities and Fund Balances

\$ 3,232
190
5,474
\$ 8,896

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL TECHNICAL CENTER

BALANCE SHEET

June 30, 1982

ASSETS

AGENCY FUND

Cash

Total Assets

\$ 2,215

\$ 2,215

LIABILITIES AND FUND BALANCES

AGENCY FUND

Accounts Payable

Deposits Held in Custody for Others

Total Liabilities and Fund Balances

\$ 712

1,503

\$ 2,215

PLANT FUNDS

Investment in Plant (Note 4)

Equipment

Total Invested in Plant Fund

\$ 657,097

\$ 657,097

PLANT FUNDS

Investment in Plant (Note 4)

Obligation Under Capital Leases (Note 6)

Net Investment in Plant

Total Invested in Plant Fund

\$

11,561

645,536

\$ 657,097

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
STATEMENT OF CURRENT FUND REVENUES,
EXPENDITURES, AND OTHER CHANGES
FISCAL YEAR ENDED JUNE 30, 1983

	<u>CURRENT FUNDS</u>			
	<u>Unrestricted</u>	<u>Designated</u>	<u>Auxiliary</u>	<u>Restricted</u>
REVENUES:				
Tuition - Millage	\$ 716,104			
State Appropriations	643,123			
Federal Grants & Contracts	142,907			\$ 24,978
Sales & Services of Educational Activities		\$134,487		
Sales & Services of Auxiliary Enterprises			\$ 66,677	
Total Revenues	<u>1,502,134</u>	<u>134,487</u>	<u>66,677</u>	<u>24,978</u>
EXPENDITURES:				
Educational and General				
Instruction	1,070,135	107,730		21,923
Student Services	94,697			
Institutional Support	82,099			
Operation & Maintenance of Plant	198,716			
Scholarships & Fellowships				3,055
Total Educational and General	<u>1,445,647</u>	<u>107,730</u>		<u>24,978</u>
Auxiliary Enterprises				
Expenditures			64,616	
Total Expenditures	<u>1,445,647</u>	<u>107,730</u>	<u>64,616</u>	<u>24,978</u>
TRANSFERS:				
Excess of restricted disbursements over transfers to revenues				3,617
Net Increase or Decrease in Fund Balances	<u>\$ 56,487</u>	<u>\$ 26,757</u>	<u>\$ 2,061</u>	<u>\$ 3,617</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
STATEMENT OF CURRENT FUND REVENUES,
EXPENDITURES, AND OTHER CHANGES
FISCAL YEAR ENDED JUNE 30, 1982

	<u>CURRENT FUNDS</u>			
	<u>Unrestricted</u>	<u>Designated</u>	<u>Auxiliary</u>	<u>Restricted</u>
REVENUES:				
Tuition - Millage	\$ 559,441			
State Appropriations	618,732			
Federal Grants & Contracts	210,000			\$144,418
Private Gifts, Grants, & Contracts				2,208
Sales & Services of Educational Activities		\$174,490		
Sales & Services of Auxiliary Enterprises			\$ 66,249	
Total Revenues	<u>1,388,173</u>	<u>174,490</u>	<u>66,249</u>	<u>146,626</u>
EXPENDITURES:				
Educational and General				
Instruction	1,035,126	177,208		141,224
Student Services	87,022			
Institutional Support	75,049			
Operation & Maintenance of Plant	150,797			5,402
Educational and General Expenditures	<u>1,347,994</u>	<u>177,208</u>		<u>146,626</u>
Expended for Equipment	11,436			
Total Educational and General	<u>1,359,430</u>	<u>177,208</u>		<u>146,626</u>
Auxiliary Enterprises				
Expenditures			66,288	
Total Expenditures	<u>1,359,430</u>	<u>177,208</u>	<u>66,288</u>	<u>146,626</u>
TRANSFERS:				
Excess of restricted disbursements over transfers to revenue				<u>121,616</u>
Net Increase or Decrease in Fund Balances	<u>\$ 28,743</u>	<u>\$ (2,718)</u>	<u>\$ (39)</u>	<u>\$121,616</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
STATEMENT OF CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 1983

	CURRENT FUNDS			PLANT FUNDS Investment in Plant (Note 4)
	Unrestricted	Designated	Auxiliary	
REVENUES AND OTHER ADDITIONS:				
Unrestricted current Fund Revenues	\$1,502,134	\$134,487	\$66,677	\$ 2,327
Federal Grants and Contracts				
Retirement of Indebtedness (Note 6)				
Total Revenues and additions	<u>1,502,134</u>	<u>134,487</u>	<u>66,677</u>	<u>28,595</u>
EXPENDITURES AND OTHER DEDUCTIONS:				
Educational and General Expenditures	1,445,647	107,730		24,978
Auxiliary Enterprises Expenditures			64,616	
Expended for Equipment				
Total Expenditures and other deductions	<u>1,445,647</u>	<u>107,730</u>	<u>64,616</u>	<u>24,978</u>
Net Increase (Decrease) for the Year	56,487	26,757	2,061	2,327
Fund Balance at Beginning of Year	64,698	18,721	44,177	645,536
Prior Period adjustments	4,302			262
Funds to be reverted to state	(33,085)			
Adjusted fund balance at beginning of year	<u>35,915</u>	<u>18,721</u>	<u>44,177</u>	<u>645,536</u>
Fund balance at end of year	<u>\$ 92,402</u>	<u>\$ 45,478</u>	<u>\$46,238</u>	<u>\$647,863</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
STATEMENT OF CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 1982

	CURRENT FUNDS			PLANT FUNDS	
	Unrestricted	Designated	Auxiliary	Restricted	Investment in Plant (Note 4)
REVENUES AND OTHER ADDITIONS:					
Unrestricted current Fund Revenues	\$1,178,173	\$174,490	\$66,249	\$268,242	
Federal Grants and Contracts	210,000				\$645,536
Expenditure For Plant Facilities (Note 4)					\$645,536
Total Revenues and additions	<u>\$1,388,173</u>	<u>174,490</u>	<u>66,249</u>	<u>268,242</u>	
EXPENDITURES AND OTHER DEDUCTIONS:					
Educational and General Expenditures	1,347,994	177,280		146,626	
Auxiliary Enterprises Expenditures			66,288		
Expended for Equipment	11,436				
Total Expenditures and other deductions	<u>1,359,430</u>	<u>177,208</u>	<u>66,288</u>	<u>146,626</u>	<u>0</u>
Net Increase (Decrease) for the Year	28,743	(2,718)	(39)	121,616	654,536
Fund Balance at Beginning of Year	52,056	21,439	39,917	(7,828)	
Adjustment to Beginning Fund Balance (Note 10)	15,902				
Fund Balance as Restated	<u>67,958</u>	<u>21,439</u>	<u>39,917</u>	<u>(7,828)</u>	<u>0</u>
Prior Period adjustments	(861)		4,299	(46,305)	
Funds to be reverted to state and to be reverted	(31,142)			(62,009)	
Adjusted fund balance at beginning of year	<u>35,955</u>	<u>21,439</u>	<u>44,216</u>	<u>(116,142)</u>	
Fund balance at end of year	<u>\$ 64,698</u>	<u>\$ 18,721</u>	<u>\$44,177</u>	<u>\$ 5,474</u>	<u>\$645,536</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
Notes to the Financial Statements
Fiscal Year Ended June 30, 1983

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preceding financial statements were prepared from the Statewide Budgeting and Accounting System (SBAS) with adjustments.

Reporting Entity

The Financial statements of Billings Vocational-Technical Center include all the accounts of the Center's operation that are administered by the center. Other funds administered by the school district are not included in these financial statements. The center is an agency of the State of Montana.

The building that the center uses and certain assets purchased with school district funds are not reported on these financial statements. They are to appear on School District No. 2's financial reports. A Schedule of Capital Projects is included in this report as supplemental information, even though the funds were expended through School District No. 2. See Footnote #9 on related party transactions.

Basis of Accounting

The financial statements are prepared on the full accrual basis of accounting. Under the full accrual basis of accounting, expenditures are recorded when materials or services are received and revenues are recorded when earned. Revenues and expenditures of an academic term that encompass parts of two fiscal years, such as a summer session, should be reported totally within the fiscal year in which the program is predominantly conducted.

Fund Accounting System

The state of Montana accounts are organized utilizing a fund structure outlined in section 17-2-102, MCA. For financial presentation, these funds have been classified in accordance with generally accepted accounting principles.

-- CURRENT FUNDS --

The current funds group includes economic resources expended in performing the primary objectives of the center, i.e., Instruction, Research, and Public Service. The current funds group has two basic distinct subgroups: unrestricted and restricted. The unrestricted current funds are comprised of the following: unrestricted, designated and auxiliary. These fund groups are defined as follows:

Unrestricted - Funds received for which no stipulation was made by the donor or other external agency as to the purposes for which they should be expended.

Designated - Accumulates costs that are subsequently recharged or allocated in total to other subfunds and the resultant income; identifies financial activities related to special organized activities of educational programs wherein they are fully supported by supplemental assessments, and track special supplies and facilities fees that are approved for collection beyond normal course fees.

Auxiliary - Exists to furnish goods or services to students, faculty, or staff through a fee charged for the cost, although not necessarily equal to the cost of

the goods or services. The revenues are derived directly from the operation of the auxiliary enterprise itself.

Restricted - Funds available for financing operations which are limited by donors and other external agencies to specific purposes, programs, departments, or schools.

-- AGENCY FUNDS --

Includes resources held by the institution as custodian or fiscal agent for individual students, faculty, staff members, and organizations.

-- PLANT FUND --

The plant fund consists of Investment in Plant. This fund denotes the cost of long-term institutional assets and associated liabilities.

Inventories

Inventories consists mainly of food, shop resales and bookstore merchandise. Supplies inventories are normally not recorded as an asset but are expensed at the time of acquisition.

Inventories are stated at cost using the first-in/first-out method.

Accounts Receivable

Based on past experience of collectibility, the accounts receivable balance shown on the accompanying balance sheet does not include an allowance for doubtful accounts.

2. EMPLOYEES'S RETIREMENT SYSTEMS

Retirement benefits are provided for the academic staff through the Montana Teachers' Retirement System (TRS) and non-academic staff through the Montana Public Employees' Retirement System (PERS). Both plans are operated by the State of Montana and membership is compulsory for the respective class of employees. Contributions for participants and the Center are based on percentage of the participant's salary.

Defined benefits under both plans are based on years of service and final average salary of the participant. The actuarial present value of vested benefits and the amount, if any, of unfunded past service costs of BVTC employees covered under the plans has not been determined.

The Center's share of cost of TRS for the year ended June 30, 1982, and June 30, 1983, were \$52,328 and \$50,676, respectively; which includes amortization of prior service cost over a period of 42.47 years.

The Center's share of cost of PERS for the years ended June 30, 1982, and June 30, 1983, were \$8,713 and \$8,475, respectively; which includes amortization of prior service costs over a period of 48.5 years.

The state's policy is to fund accrued pension costs. At June 30, 1983, the Public Employees' Retirement System was actuarilly sound, while the Teachers' Retirement System was actuarilly sound at June 30, 1981.

3. BUILDING AND LAND

Land and certain items of equipment within the center were purchased with school district funds. The center's building and certain equipment were financed through a state general long range building fund appropriation, economic development administration state discretionary funds, and a local school district bond issue for a total facility construction cost of \$3,832,634. Depreciation on physical plant and equipment is not recorded by the center. The building and land assets and associated bond liability will be reported on the school district's financial statements.

The center occupied its new building in 1980. The bonds for 50 percent of the building's construction cost were issued by the school district January 1, 1979. The school district is scheduled to make annual payments of approximately \$95,000, with the final installment being due in 1999.

4. EQUIPMENT

Equipment is stated at cost at date of acquisition or at fair value at date of donation in the case of gifts. For assets that the original cost is unknown, the cost at date of acquisition has been estimated.

Prior to fiscal year ended June 30, 1982, equipment was not included in the financial statements. The amount shown as addition to the net investment in plant was obtained by taking a physical inventory of the assets and determining their cost according to the above criteria.

No provision has been made for depreciation.

5. BUDGETARY REPORTING

The annual appropriations process for planning and controlling financial operations is set for each fiscal year of the biennium by the Legislature. At the end of each fiscal year the center's fund appropriations revert to the fund or original appropriation and may be spent for valid prior year obligations.

Budget amendments may be obtained to spend funds that were not available for consideration by the legislature but have become available from sources other than the state's General Fund or Earmarked Revenue Fund.

Appropriations of the center were established within the following areas:

1. Personal Services
2. Operations
3. Capital Expenditures

6. LEASES

The center leases their telephone system. Lease payments are on a monthly basis. The center will own this system at the end of the 72-month lease term.

Equipment under capital lease are classified as equipment in the amount of \$14,254.

The following is a schedule by year of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 1983:

YEAR ENDED	AMOUNT
1984	\$3,247
1985	3,247
1986	3,247
1987	<u>1,339</u>
Minimum lease payments	\$11,080
Less: Amount represent interest	<u>1,846</u>
Present value of net minimum lease payment	<u>\$ 9,234</u>

7. ENDOWMENT

An endowment of \$11,320 was received December 28, 1981, and was deposited by the school district into the county treasurer's investment pool. The endowment does not appear on these financial statements but is reported on the school district's financial statements.

The county treasurer prorated the earnings on the investment pool to the various funds in the pool. Following is a schedule of the investment earnings on the endowment.

Total invested at December 28, 1981	\$11,320
1981-1982 earnings	<u>297</u>
Total at June 30, 1982	11,617
1982-1983 earnings	<u>1,013</u>
Total at June 30, 1983	<u>\$12,630</u>

The money from the endowment is to be used in the nursing program at Billings Vocational-Technical Center. Currently guidelines have not been established on the use of the endowment.

8. CONTINGENT LIABILITIES AND COMMITMENTS

The value of unused vacation and sick leave at June 30, 1983, of \$24,952 accumulated by employees is recorded as a liability. The liability amount associated with unused accumulated vacation and sick leave at June 30, 1981 was maintained on an hourly basis rather than a dollar amount and, therefore, an liability had not been recorded.

Classified or support employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation into 90 days of a new calendar year. Teachers have no vacation, while 12-month administrative employees may not accrue more than 20 days of vacation annually.

Upon termination, qualifying classified employees having unused accumulated vacation and sick leave are paid 100 percent for vacation and 25 percent for sick leave earned after June 1, 1971. Teacher/administrative employees receive lump sum payments in accordance with contrast provisions.

Effective June 30, 1982, vacation and sick leave are reported on the accrual basis. Prior to June 30, 1982, expenditures were not recorded for annual vacation and sick leave costs until the leave was taken. The effect of this change was to increase total expenditures in 1982 by \$24,000 and in 1983 by \$952.

9. RELATED PARTY TRANSACTIONS

School District No. 2 trustees govern the Billings Vocational-Technical Center operations. It also furnishes use of facilities and equipment and certain services for the Center at no charge.

The building the Center is occupying is reported on the district's financial statements (See Note 3). The District maintains the insurance on the building as well as major maintenance. The Center is not required to pay the school district for the use of the building insurance or maintenance.

Equipment at the Center, that is owned by the district, is reported on the district's financial statements. This equipment is on loan without charges to the Center.

Payroll is processed by the district for which the processing charges are not billed to the Center. The district bills the Center for its payroll expenditures.

The endowment (see Note 7) of \$11,320 is reported on the district's financial statement as well as the associated interest earned.

10. Fund Balance

In the current restricted fund cash transferred to OPI of \$15,902 was not credit to Fund Balance on fiscal 1981 financial statements. See recommendation #7.

Billings Vocational Education Center
Schedule of Full-Time Equivalent Students
For the Two Fiscal Years ending June 30, 1983

<u>Quarter</u>	<u>Contract Hours</u>	<u>FTE</u>
Summer 1981	74,088	296
Fall 1981	141,303	565
Winter 1982	163,134	653
Spring 1982	148,538	594
Summer 1982	60,420	242
Fall 1982	136,329	545
Winter 1983	170,777	683
Spring 1983	137,144	549

Billings Vocational-Technical Center
Schedule of Capital Projects
For the Two Fiscal Years Ended June 30, 1983

Phase III Project	<u>1982</u>
From Long-range Building Project	\$153,608
School District No. 2	<u>4,052</u>
Total Expenditures on Capital Projects	<u>\$157,660</u>

All expenditures were made through the school district and are reported on their financial statements

Billings Vocational-Technical Center
Schedule of Federal Grant Expenditures
For the Two Fiscal Years Ended June 30, 1983

<u>Department of Education</u>	<u>1982</u> <u>Expense</u>	<u>1983</u> <u>Expense</u>
SEOG	\$ 7,250	\$ 5,700
College Work Study	5,420	3,299
Teacher Development Grant		600
 <u>Department of Labor</u>		
CETA - Individual Referral No. 1102	51,652	-0-
CETA - World of Work No. 3201	38,045	11,179
CETA - Title 1105	11,720	-0-
CETA - World of Words No. 3102	17,882	-0-
CETA - Individual Referral	7,918	
	<u>\$139,887</u>	<u>\$20,778</u>

PART II

FINANCIAL/COMPLIANCE AUDIT
OF
COLLEGE WORK-STUDY PROGRAM
STATE STUDENT INCENTIVE GRANT PROGRAM
GUARANTEED STUDENT LOAN PROGRAM
PELL GRANT (BASIC EDUCATION OPPORTUNITY GRANT) PROGRAM
SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT PROGRAM

Entity Identification Number 1816001649A2
For the two Fiscal Years Ended June 30, 1982 and June 30, 1983

FINANCIAL AID

SUMMARY OF RECOMMENDATIONS

As a separate section of this audit report, I include a listing of all recommendations together with a notation as to whether the agency concurs or does not concur with each recommendation. This listing serves as a means of summarizing the recommendations contained in the report and the audited agency's reply thereto and also as a ready reference to the supporting comments. The full replies of the Billings Vocational-Technical Center and the Office of Public Instruction (OPI) are included in the back of this report.

	<u>Page</u>
1. Use the DFAFS account in accordance with the procedures manual and recommended federal accounting policy	40
<u>Agency Reply:</u> Concur - See Page 75	
<u>OPI Reply:</u> Concur - See Page 77	
2. Maintain minimum cash balances sufficient to finance current disbursements	40
<u>Agency Reply:</u> Concur - See Page 75	
<u>OPI Reply:</u> Concur - See Page 77	
3A. Reconcile accounting records to the financial air reports to insure that reporting is correct	41
<u>Agency Reply:</u> Concur - See Page 75	
<u>OPI Reply:</u> Concur - See Page 77	
3B. Submit corrected ED-868 report	41
<u>Agency Reply:</u> Concur - See Page 75	
<u>OPI Reply:</u> Concur - See Page 77	
4. Maintain Maintenance of level of effort at the established level or higher	41
<u>Agency Reply:</u> Concur - See Page 75	
<u>OPI Reply:</u> Concur - See Page 77	

PART A -- INTRODUCTION ON FINANCIAL AID

Background

The Billings Vocational-Technical Center is a post secondary institution approved by the U.S. Office of Education for participation in student financial aid programs. The center, located in Billings, Montana, enrolled approximately 594 in 13 instructional programs in spring 1982 and 549 students in spring 1983.

Supplemental Education Opportunity Grants (SEOG) Program

On July 1, 1979, the center established the SEOG program pursuant to Title IV, Part A, of the Higher Education Act of 1965, as amended. During the fiscal year ended June 30, 1982, and June 30, 1983, twenty-three and twenty-two students, respectively, participated in the program. Awards from federal funds aggregated \$7,250 in 1982 and \$5,800 in 1983. The authorization award letters to the center for the two fiscal years ended June 30, 1982, and June 30, 1983, were in the amounts of \$9,750 and \$6,268, respectively.

College Work-Study (CWS) Program

The CWS program was established at the center in 1973 under Title IV, Part C, of the Higher Education Act of 1965, as amended. During the fiscal year ended June 30, 1982, 15 students participated in the program and expenditures for wages aggregated \$5,420 from federal funds and \$1,355 from center funds. During the fiscal year ended June 30, 1983, 10 students participated in the program and expenditures for wages aggregated \$3,298 from federal funds and \$825 from center funds.

The authorization award letter to the center for each of the fiscal years ended June 30, 1982 and June 30, 1983 was in the amount of \$4,527 and \$4,211, respectively.

Pell Grant (Basic Education Opportunity Grant) Program

The center entered into an agreement with the Office of Education in 1975 to participate in the Basic Educational Opportunity Grant (BEOG) Program. This program, now known as the Pell Grant Program, effective July 1, 1980, provides eligible students with a foundation of financial aid to help defray the cost of postsecondary education. Program funds in the amount of \$121,361 were authorized for the fiscal year ended June 30, 1982, and \$86,075 for the fiscal year ended June 30, 1983. In 1982, Grant awards of \$121,361 were made to 227 students and awards of \$86,075 were made to 153 students in 1983.

The center officials responsible for overall administration of the programs are the Student Financial Aid Officer and the Accountant.

The Financial Aid Officer is responsible for application processing and grant approvals and quarterly financial reporting, as well as the center's compliance with the various U.S. Department of Education regulations governing the center's participation in federal and state student financial aid programs.

The accountant is responsible for the program financial management, general ledger accounting, payments, and collections.

During the fiscal year ended June 30, 1982, the center received other student financial aid funds including \$3,220 from the state for the State Student Incentive Grant (SSIG) Program. The center received \$4,100 from the SSIG Program

during fiscal year ended June 30, 1983. Students participating in this program numbered sixteen for fiscal year 1981-1982 and nineteen for fiscal year 1982-1983.

Guaranteed Student Loan Program

Examination of the Student Confirmation Report indicates that the withdrawal rate for Billings Vocational-Technical Center to be between 25-26 percent.

PART B -- Highlights of Financial Aid Audit Results

My opinion on the basic financial aid exhibits and schedules appear on page 52 of this report. During my audit nothing came to my attention which caused me to believe that the Billings Vocational-Technical Center had not generally administered its student aid programs (Pell Grant, SEOG, GSL, and CWS) in accordance with federal regulations and directives cited in the U.S. Department of Education Audit draft of May, 1983, for the Pell Grant, SEOG, GSL, and CWS programs. However, certain areas of the center's management of student aid programs were in need of improvement, particularly in the areas of 1) Internal controls over the maintenance of level of effort; 2) use of the DFAFS account; 3) excess cash, and 4) reconciliation of DFAFS Recipient Report of Expenditures to center records. These matters are discussed more fully under the "Findings and Recommendations" section of this report, see pages 40 through 41.

As a part of my audit of the fiscal years 1981-1982 and 1982-1983, I obtained confirmations from selected students on Pell Grant, SEOG, SSIG awards, and students participating in the NGSL and the CWS Programs. I requested confirmations from 13 percent of the total number of students receiving aid during this period. A summary of the confirmation results follows:

Financial Aid Confirmations

Total confirmation letters sent for student aid received in fiscal years 1981-1982 and 1982-83	44
Confirmations returned without exception	35
Confirmations not returned by students	<u>9</u>
Total confirmations sent for the two fiscal years	<u>44</u>

Findings and Recommendations - Financial

DFAFS Funded Programs

The center's student financial aid programs are funded through the Departmental Federal Assistance Financing System (DFAFS). The center went into the Statewide Budgeting and Accounting System (SBAS) on July 1, 1980. SBAS provides the necessary recordkeeping for DFAFS.

The center properly established the Due from DFAFS and Unexpended Program Authorization accounts for an initial authorization at the beginning of fiscal year 1981-1982 in the DFAFS account. In the fiscal year 1982-1983, incorrect amounts were established in the Due From DFAFS and unexpended Program Authorization accounts.

Some of the funds received during the two fiscal years were deposited directly into the accounting entities established for the various financial aid programs.

According to the Vo-Tech SBAS Procedures Manual, the initial accounting for all awards and authorizations made to a center must flow through a DFAFS accounting entity on SBAS. As funds for these programs are received, they are to be deposited into DFAFS and subsequently transferred to the various financial aid programs as needed.

The manual on Accounting, Recordkeeping and Reporting by Colleges and Universities for Federally Funded Student Financial Aid Programs contains a recommended accounting policy that any remaining cash balances in the student aid program at fiscal year-end be transferred back into DFAFS. The center did not transfer the following cash balances to the DFAFS account at fiscal year-end:

	1981-1982	1982-1983
College Work-Study	\$254	\$32
Supplemental Education Opportunity Grant	-0-	150
Pell Grant	959	1,939
	<u>\$1,213</u>	<u>\$2,121</u>

RECOMMENDATION NO. 1

I RECOMMEND THE CENTER:

A. USE THE DFAFS ACCOUNT IN ACCORDANCE WITH THE PROCEDURES MANUAL AND RECOMMENDED FEDERAL ACCOUNTING POLICY.

Excess Cash

The center's accounting records show excess cash remaining in the College Work-Study, Supplemental Education Opportunity Grant, and Pell Grant programs for one month during fiscal year 1981-1982.

Funds in these program accounts should not exceed the minimum amount required to finance current disbursements. Because the center is on the cash request system, the amount of cash in the accounts should not exceed one month's needs.

Total excess cash amounted to \$5,519. Cash requests should be made as close as possible to the time and for the amount disbursements are made.

RECOMMENDATION NO. 2

I RECOMMEND THE CENTER MAINTAIN MINIMUM CASH BALANCES SUFFICIENT TO FINANCE CURRENT DISBURSEMENTS.

ED 868 Report (Recipient Report of Expenditure)

The center's accounting records were not reconciled to the ED-868 report and resulted in incorrect expenditures being reported on the above report. See notes 2 to the financial statements for a discussion on the correct amounts.

RECOMMENDATION NO. 3

3A. I RECOMMEND THE CENTER RECONCILE THEIR ACCOUNTING RECORDS TO THE FINANCIAL AID REPORTS TO ENSURE THAT REPORTING IS CORRECT.

3B. I RECOMMEND THAT THE CENTER CORRECT THE ED-868 REPORT.

Findings and Recommendations - Internal Accounting and Administrative Controls and Compliance

1. Maintenance of Level of Effort

For each fiscal year the center receives an allocation of CWS funds, it shall continue to expend, in its own student aid programs, an amount not less than the average expenditure per year made for that purpose during the three preceding fiscal years.

During fiscal year 1981-1982 and 1982-1983, the center fell below their established maintenance of level of effort of \$1,510 and \$1,457, respectively. During fiscal year 1981-1982, the center's maintenance of level of effort was \$1,372 and in 1982-1983 it was \$827. Therefore, the center may be liable to the federal government for the difference of \$138 from fiscal year 1981-1982 and \$630 in fiscal year 1982-83 maintenance of level of effort.

RECOMMENDATION NO. 4

I RECOMMEND THE CENTER MAINTAIN THEIR MAINTENANCE OF LEVEL OF EFFORT AT THE ESTABLISHED LEVEL OR HIGHER.

2. Compliance

I performed tests of compliance on a sample of 46 student aid recipients from the two fiscal years ending June 30, 1983.

No problems were noted for the fiscal years 1981-1982 and 1982-1983; therefore, no current recommendation is necessary.

PRIOR AUDIT RECOMMENDATIONS

The 1980-1981 audit of the financial aid of Billings Vocational-Technical Center contained six recommendations still applicable to the center. The following table shows the status of implementation of these prior recommendations.

PRIOR AUDIT RECOMMENDATIONS

	Implemented	Partially Implemented	Not Implemented	Total
CWS Compensation	1			1
DFAFS Fund Program			1	1
Full accrual accounting	1			1
Administrative allowance	1			1
Minimum cash balance			1	1
Maintenance of Level of Effort	-	-	$\frac{1}{3}$	$\frac{1}{6}$
Total	3	0	$\frac{3}{3}$	$\frac{6}{6}$

Of the three recommendations which were not implemented, the center had concurred with all three of the recommendations. The recommendations not implemented are discussed in this report on pages 40 and 41.

SCOPE OF AUDIT

My audit of the College Work-Study, Supplemental Educational Opportunity Grants, Pell Grants, and Guaranteed Student Loan programs was performed in accordance with the financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions," 1981, and the Draft audit guide prescribed by the U.S. Department of Education, May, 1983.

The purpose of the audit was to:

1. Express an opinion on the Application and Fiscal Operations Report (FISAP) (ED Form 646) Part III, Part IV - SEOG, and Part V - CWS; and the June 30, 1982, and June 30, 1983, Progress Report (ED Form 255-3) Section III, Lines 19-21 - Pell Grants, of Billings Vocational-Technical Center for the period July 1, 1981, through June 30, 1983, prepared for the U.S. Department of Education; and/or Validation Roster (ED Form 255-4) dated November 17, 1982, for the period audited;
2. Evaluate the institution's systems of internal control, accounting, and reporting, and the controls maintained in the operation of and accounting for the funds provided for the programs; and
3. Determine compliance with applicable sections of the acts, related Federal regulations, and Department of Education policies and procedures.

The audit covered the period July 1, 1981, through June 30, 1983, and field work was performed during the period July 25, 1983, through September 16, 1983, at the institution's business and student financial aid offices located in Billings, Montana.



Peggy Biekert, CPA

234 E. Babcock
P.O. Box 1301
Bozeman, MT 59715
(406) 586-7371

FNI Building
P.O. Box 671
Ennis, MT 59729
(406) 682-4635

September 23, 1983

The Legislative Audit Committee
of the Montana State Legislature:

I have examined the Balance Sheets of the College Work-Study and Supplemental Educational Opportunity Grant (SEOG) Programs as of June 30, 1982, and June 30, 1983, and the related Statements of Changes in Fund Balances for the years then ended. I also examined the Statement of Changes in Fund Balance of the Pell Grant Program for the two fiscal years ended June 30, 1982, and June 30, 1983. My examination was made in accordance with the financial and compliance elements of the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States, 1981 revision. Accordingly, I conducted such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances. The Audit Guide - Student Financial Aid Program for NDSL, CWS, SEOG, Pell and USLP programs by the U.S. Department of Education, dated May 1983, was used as a guide in the examination.

In my opinion, the Balance Sheets of the CWS and SEOG Programs present fairly the financial position of the CWS and SEOG Programs of the Billings Vocational-Technical Center as of June 30, 1982, and 1983, and the Changes in Fund Balances for the two years then ended in conformity with generally accepted accounting principles.

In my opinion, the Statement of Changes in Fund Balance of the Pell Grant Program presents fairly the Changes in Fund Balance of the Billings Vocational-Technical Center for the two years ended June 30, 1982 and June 30, 1983, in conformity with generally accepted accounting principles.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying exhibits and State Student Incentive Grant Schedule are presented for purposes of additional analysis, and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my examination of the basic financial statements; and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Peggy J. Biekert, CPA
Contract Auditor

BILLINGS VOCATIONAL-TECHNICAL CENTER
COLLEGE WORK-STUDY PROGRAM
BALANCE SHEET

<u>Assets</u>	<u>June 30, 1982</u>	<u>June 30, 1983</u>
Cash	\$ 254	\$ 32
Federal Funds Receivable		59
Total Assets	<u>\$ 254</u>	<u>\$ 91</u>
<u>Liabilities and Fund Balance</u>		
Accrued Administrative Allowance	28	21
Accounts Payable	226	70
Fund Balance	<u>-0-</u>	<u>-0-</u>
Total Liabilities and Fund Balance	<u>\$254</u>	<u>\$ 91</u>

*See accompanying Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
COLLEGE WORK-STUDY PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED

	<u>June 30, 1982</u>	<u>June 30, 1983</u>
<u>Additions</u>		
Find Adjusted Award Authorized	\$4527	\$4211
Add:		
1981-1982 Carry Forward	1101	-0-
1982-1983 Carry Forward		(421)
Transfer from SEOG	131	-0-
Deduct:		
Funds Not Requested or Deposited		(286)
Funds Provided by Federal Gov't.	5759	3504
Funds Provided by Center	1355	825
Total Additions	<u>7114</u>	<u>4329</u>
<u>Deductions</u>		
Wages:		
Federal Shares	\$5420	\$3298
Center Shares	1355	825
Total Wages	<u>6775</u>	<u>4123</u>
Administration Cost	<u>339</u>	<u>206</u>
Total Deductions	<u>\$7114</u>	<u>\$4329</u>
Net Increase (Decrease) for Period	-0-	-0-
Fund Balance - Beginning of Period	-0-	-0-
Fund Balance - End of Period	<u>-0-</u>	<u>-0-</u>

*See accompanying Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
BALANCE SHEET

<u>Assets</u>	<u>June 30, 1982</u>	<u>June 30, 1983</u>
Cash	\$ -0-	\$150
Accounts Receivable		100
Total Assets	<u>-0-</u>	<u>250</u>
 <u>Liabilities and Fund Balance</u>		
Fund Balance	<u>-0-</u>	<u>(250)</u>
Total Liabilities and Fund Balance	<u>\$-0-</u>	<u>\$250</u>

*See accompanying Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
STATEMENTS CHANGING FUND BALANCE
FOR THE TWO FISCAL YEARS ENDED

	<u>June 30, 1982</u>	<u>June 30, 1983</u>
<u>Additions:</u>		
Total Grant Awards Authorized	\$9750	\$6268
Continuing Award	-0-	696
Final Adjusted Awards Authorized	<u>\$9750</u>	<u>\$6964</u>
 <u>Less:</u>		
Amount Transferred to CWS	(131)	-0-
Amount of Grant Award Not Requested	<u>(2196)</u>	<u>(729)</u>
 Total Funds Provided by Federal Govt.	7423	6235
 <u>Deductions:</u>		
Awards to Students	7250	5700
Administrative Exp. Allowance	<u>362</u>	<u>285</u>
 Total Deductions	<u>7612</u>	<u>5985</u>
 Net Increase (Decrease) for Period	(190)	250
 Fund Balance Beginning of Year	<u>190</u>	<u>-0-</u>
 Fund Balance - End of Year	<u>-0-</u>	<u>250</u>

*See accompanying Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
PELL GRANT PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE TWO FISCAL YEARS ENDED

	<u>June 30, 1982</u>	<u>June 30, 1983</u>
<u>Additions:</u>		
Total Grant Award Authorization	\$121,361	\$ 86,075
1983-1984 Awards Advanced		1,080
Less:		
Amount of Grant Award not Requested	<u>(2,169)</u>	<u>-0-</u>
Total Funds Provided by Federal Govt.	<u>119,192</u>	<u>87,155</u>
<u>Deductions:</u>		
Awards to Students	<u>121,361</u>	<u>86,075</u>
Net Increase (Decrease) for Period	<u>(2,169)</u>	<u>1,080</u>
Due to Federal Govt.-Beginning of Year	<u>3,128</u>	<u>959</u>
Due to Federal Govt.-End of Year	<u>\$ 959</u>	<u>\$ 2,039</u>

*See accompanying Notes to Financial Statements.

BILLINGS VOCATIONAL-TECHNICAL CENTER
FINANCIAL AID PROGRAMS
Notes to the Financial Statements
For the Two Fiscal Years Ended June 30, 1983

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements were prepared under the full accrual basis of accounting.

BILLINGS VOCATIONAL-TECHNICAL CENTER
STATE STUDENT INCENTIVE GRANT SCHEDULE
FOR THE TWO FISCAL YEARS ENDED

	<u>June 30, 1982</u>	<u>June 30, 1983</u>
Award	<u>\$3321</u>	<u>\$4327</u>
Source of Funds		
Beginning Cash Balance	1634	101
Receipts	<u>3321</u>	<u>4327</u>
Total Funds Provided	<u>4955</u>	<u>4428</u>
 Deductions		
Awards to Students	3220	4100
Funds Returned to State from Previous Year	<u>1634</u>	<u>101</u>
Total Deductions	<u>4854</u>	<u>4201</u>
 Fund Balance, End of Period (SSIG Cash)	<u>\$ 101</u>	<u>\$ 227</u>

*See accompanying Notes to Financial Statements.



Peggy Biekert, CPA

234 E. Babcock
P.O. Box 1301
Bozeman, MT 59715
(406) 586-7371

FNI Building
P.O. Box 671
Ennis, MT 59729
(406) 682-4635

September 23, 1989

The Legislative Audit Committee
of the Montana State Legislature:

I have examined the Application and Fiscal Operations Report (FISAP) (ED Form 646), Part II, Part IV - SEOG, and Part V - CWS; and the June 30, 1982 and June 30, 1983, Progress Report (ED Form 255-3), Section III, Lines 19-21 - Pell Grants, of Billings Vocational-Technical Center for the period July 1, 1981, through June 30, 1983, prepared for the U.S. Department of Education. My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting and program records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, Billings Vocational-Technical Center's policy is to prepare the Application and Fiscal Operations and Progress Reports on the basis of accounting practices prescribed by grantor reporting requirements and in conformity with grantor regulations. These practices differ in some respects from generally accepted accounting principles. Accordingly, the accompanying schedules are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. This report is intended solely for filing with the grantor agency and should not be used for any other purpose. This restriction as to use is not to limit the distribution of this document which, upon acceptance by the Legislative Audit Committee, is a matter of public record.

In my opinion, the Application and Fiscal Operations and Progress Reports referred to above, cumulative information on FISAP (ED Form 646), for the period from inception to June 30, 1983, present fairly the financial information contained therein of Billings Vocational-Technical Center for the period July 1, 1981, through June 30, 1983, on the basis of accounting prescribed in Note 1, which basis has been applied in a manner consistent with that of the preceding year.

Respectfully Submitted,



Peggy J. Biekert, CPA
Contract Auditor

Note 1:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Except as described in the following paragraph, generally accepted accounting principles are in agreement with the accounting practices prescribed for such programs by the Department of Education in the Terms of Agreement and in fiscal control and fund accounting procedures.

The prescribed practices for the NDSL program do not provide for accrual of interest on student loans receivable or for the establishment of an allowance for doubtful loans. Accordingly, interest on loans is recorded as received; uncollectible loans are not recognized until the loans are cancelled or written-off in conformity with NDSL program requirements. Therefore, the amounts are not included in the data submitted on the Application and Fiscal Operations Report for the NDSL program. These practices do not conform with generally accepted accounting principles.

Billings Vocational-Technical Center has no NDSL program and, therefore, the paragraph on NDSL programs is not applicable to its audit of the financial aid program.

Note 2:

EDPMT Recipient Report of Expenditure (ED-868)

The amounts reported on the financial statement do not agree to the amounts reported on the Recipient Report of Expenditure (ED-868). Adjustments are necessary because expenditures were recorded to wrong obligation Document numbers on the ED-868 report and the ED-868 report was not reconciled to center records.

<u>Obligation Document No.</u>	<u>Account Title</u>	<u>Amount Reported on ED-868</u>	<u>Adjustment</u>	<u>Correct Amount</u>
8206763	1983 Pell	\$78,204	\$43,157	\$121,361
8212408	1982 CWS	960	3,567	4,527
8232408	1982 SEOG	3,900	3,713	7,613
8306763	1983 Pell	61,328	24,837	86,075
8342408	1983 SEOG	-0-	600	600
8012408	1980 CWS	4,143	1,143	5,286
8112408	1981 CWS	9,594	5	9,599
8312408	1983 CWS	638	3,485	4,123
8332408	1983 SEOG	1,000	4,100	5,100

INTERNAL CONTROL
FOR FINANCIAL AID

I have examined the Application and Fiscal Operations Report (FISAP) (ED Form 646), Part IV - SEOG, and Part V - CWS; and June 30, 1982 and June 30, 1983, Progress Reports (ED Form 255-3), Section III, Lines 19-21 - Pell Grants, of Billings Vocational-Technical Center for the period July 1, 1981, through June 30, 1983, prepared for the U.S. Department of Education, and have issued my report thereon, dated September 23, 1983. As part of my examination, I made a study and evaluation of the system of internal accounting control of Billings Vocational-Technical Center to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office's Standards for Audit of Governmental Organizations, Programs, Activities and Functions. For the purpose of this report, I have classified the significant internal accounting controls in the following categories:

1. Receipt and Disbursement of Funds
2. Eligibility of Recipients and Award Amounts
3. Reports to the U.S. Department of Education.

My study included all of the control categories listed above. The purpose of my study and evaluation was to determine the nature, timing, and extent of performing the auditing procedures necessary for expressing an opinion on the Fiscal Operations and Progress Reports. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The management of Billings Vocational-Technical Center is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial reports.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Billings Vocational-Technical Center taken as a whole or on any of the categories of controls identified in the first paragraph.

This report is intended solely for the use of management, the Department of Education and the legislature and should not be used for any other purpose. This restriction as to use is not intended to limit the distribution of this document which, upon acceptance by the Legislative Audit Committee, is a matter of public record.

Peggy Biekert, CPA

234 E. Babcock

P.O. Box 1301

Bozeman, MT 59715

(406) 586-7371

FNI Building

P.O. Box 671

Ennis, MT 59729

(406) 682-4635

September 23, 1983

THE LEGISLATIVE AUDIT COMMITTEE OF THE MONTANA STATE LEGISLATURE:

I have examined the Application and Fiscal Operations Report (FISAP) (ED Form 646), Part III, Part IV - SEOG, and Part V - CWS; and the June 30, 1982 and June 30, 1983, Progress Reports (ED Form 255-3), Section III, Lines 19-21 - Pell Grants, of Billings Vocational-Technical Center for the period July 1, 1981, through June 30, 1983, prepared for the U.S. Department of Education, and have issued our report thereon, dated September 23, 1983. My examination was made in accordance with generally accepted auditing standards; the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, promulgated by the U.S. Comptroller General, as they pertain to financial and compliance audits and compliance provisions contained in the Draft Guide for Audits of NDSL, CWS, SEOG, Pell Grant and GSL programs, Department of Education, dated May, 1983; and accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

Based on my examination, I found that, for the items tested, Billings Vocational-Technical Center complied with the material terms and conditions of the Department of Education award agreements and agreements with State agencies or organizations administering the Federal Guarantee Student Loan Program, except as described in the findings and recommendations sections of the report. Further, based on my examination and the procedures referred to above, nothing came to my attention to indicate that the Billings Vocational-Technical Center had not complied with the significant compliance terms and conditions of the awards referred to above.

The report is intended solely for the use of Billings Vocational-Technical Center, the Department of Education, and the legislature and should not be used for any other purpose. This restriction as to use is not intended to limit the distribution of this document which, upon acceptance by the Legislative Audit Committee is a matter of public record.

Respectfully Submitted,



Peggy J. Biekert, CPA
Contract Auditor

Application and Fiscal Operations Report (FISAP)

Name of Institution Billings Vo-Tech Center

Serial Number 2408

Entity Number 1-816001649A2

Part II. Application to Participate

Section A. Request for Funds for the 1983-84 Award Year

1. NDSL Level of Expenditures \$ N/A
2. NDSL Federal Capital Contribution \$ N/A
3. SEOG Initial Year (IY) \$ 15,000.00
4. SEOG Continuing Year (CY) \$ 1,000.00
5. CWS Federal Funds \$ 18,000.00

Section B. CWS Waiver Request

(Applies only to certain schools; see instructions)

6. Do you wish to apply as a developing institution?
☐ Yes
☒ No
7. Do you wish to apply as an institution which has 50% or more of its students from families with an income of less than \$7,500?
☐ Yes
☒ No

Section C. Request for Special CWS Funds for Students from Trust Territory/American Samoa

(Applies only to schools with students from certain areas; see instructions)

Number of students to be employed	Estimated average earnings per student (Federal & institutional shares)	Estimated Total earnings (a x b)	Federal share (Not to exceed 80% of column c)	Administrative cost allowance	Total Request (d + e)
8. a. # <u>N/A</u>	b. \$ <u>N/A</u>	c. \$ <u>N/A</u>	d. \$ <u>N/A</u>	e. \$ <u>N/A</u>	f. \$ <u>N/A</u>

Section D. Maintenance of Effort

Institutions that participated in SEOG and/or CWS in Award Year 1981-1982, complete line 9.

9. Institutional Expenditures July 1, 1981-June 30, 1982 \$ 1,355.00

Institutions that received SEOG and/or CWS funds for the first time in Award Year 1982-1983, complete lines 10-14.

10. July 1, 1979-June 30, 1980 Expenditures \$ N/A
11. July 1, 1980-June 30, 1981 Expenditures \$ N/A
12. July 1, 1981-June 30, 1982 Expenditures \$ N/A
13. TOTAL EXPENDITURES \$ N/A
14. 3-Year Average \$ N/A

Name of Institution Billings Vo-Tech CenterSerial Number 2408Entity Number 1- 816001649A2**Section E. Assessments and Expenditures**

	(a) Undergraduate	(b) Graduate/Professional
15. Total tuition and fees for the Award Year July 1, 1981-June 30, 1982	\$ <u>188,045.00</u>	\$ <u>N/A</u>
16. Total expended to fund Pell recipients for the 1981-82 Pell Grant Award Year	\$ <u>121,361.00</u>	
17. Total expended for State grants and scholarships made to undergraduates for the Award Year July 1, 1981 to June 30, 1982	\$ <u>3,220.00</u>	
18. Total expended for institutionally administered grants and scholarships made to undergraduates for the Award Year <u>JULY 1, 1977 to JUNE 30, 1978</u>	\$ <u>-0-</u>	

Section F. Information on Eligible Aid Applicants for Award Year 1981-82

	DEPENDENT			INDEPENDENT	
	Undergraduate	Graduate/Professional		Undergraduate	Graduate/Professional
19. \$ 0 - \$ 2,999	<u>9</u>	<u>N/A</u>	\$ 0 - \$ 999	<u>55</u>	<u>N/A</u>
20. 3,000 - 5,999	<u>12</u>	<u>N/A</u>	1,000 - 1,999	<u>18</u>	<u>N/A</u>
21. 6,000 - 8,999	<u>9</u>	<u>N/A</u>	2,000 - 2,999	<u>23</u>	<u>N/A</u>
22. 9,000 - 11,999	<u>13</u>	<u>N/A</u>	3,000 - 3,999	<u>35</u>	<u>N/A</u>
23. 12,000 - 14,999	<u>11</u>	<u>N/A</u>	4,000 - 4,999	<u>31</u>	<u>N/A</u>
24. 15,000 - 17,999	<u>14</u>	<u>N/A</u>	5,000 - 5,999	<u>23</u>	<u>N/A</u>
25. 18,000 - 20,999	<u>5</u>	<u>N/A</u>	6,000 - 6,999	<u>18</u>	<u>N/A</u>
26. 21,000 - 23,999	<u>4</u>	<u>N/A</u>	7,000 - 7,999	<u>14</u>	<u>N/A</u>
27. 24,000 - 26,999	<u>5</u>	<u>N/A</u>	8,000 - 8,999	<u>9</u>	<u>N/A</u>
28. 27,000 - 29,999	<u>0</u>	<u>N/A</u>	9,000 - 9,999	<u>4</u>	<u>N/A</u>
29. 30,000 - 32,999	<u>1</u>	<u>N/A</u>	10,000 - 10,999	<u>6</u>	<u>N/A</u>
30. 33,000 - 35,999	<u>1</u>	<u>N/A</u>	11,000 - 11,999	<u>3</u>	<u>N/A</u>
31. 36,000 - 38,999	<u>0</u>	<u>N/A</u>	12,000 - 12,999	<u>5</u>	<u>N/A</u>
32. 39,000 - 41,999	<u>0</u>	<u>N/A</u>	13,000 - 13,999	<u>2</u>	<u>N/A</u>
33. 42,000 - 44,999	<u>0</u>	<u>N/A</u>	14,000 - 14,999	<u>1</u>	<u>N/A</u>
34. 45,000 - OVER	<u>0</u>	<u>N/A</u>	15,000 - OVER	<u>1</u>	<u>N/A</u>
35. Total	<u>84</u>	<u>N/A</u>	Total	<u>248</u>	<u>N/A</u>

Section G. Information on Enrollment

(Institutions with TRADITIONAL CALENDAR)

Institutions that had Fall 1981 enrollment, fill in line 36.

	(a) Undergraduate	(b) Graduate/Professional
36. Total number of students, Fall, 1981	<u>477</u>	<u>N/A</u>

Institutions that did not have Fall 1981 enrollment, fill in lines 37 and 38.

	(a) Undergraduate	(b) Graduate/Professional
37. Estimated number of students, Fall, 1982	<u>N/A</u>	<u>N/A</u>
38. Projected number of students, Fall, 1983	<u>N/A</u>	<u>N/A</u>

(Institutions with NON-TRADITIONAL CALENDAR)

	(a) Continuing Students	(b) New Starts
39. July 1, 1981	<u>N/A</u>	<u>N/A</u>
40. August 1	<u>N/A</u>	<u>N/A</u>
41. September 1	<u>N/A</u>	<u>N/A</u>
42. October 1	<u>N/A</u>	<u>N/A</u>
43. November 1	<u>N/A</u>	<u>N/A</u>
44. December 1	<u>N/A</u>	<u>N/A</u>
45. January 1, 1982	<u>N/A</u>	<u>N/A</u>
46. February 1	<u>N/A</u>	<u>N/A</u>
47. March 1	<u>N/A</u>	<u>N/A</u>
48. April 1	<u>N/A</u>	<u>N/A</u>
49. May 1	<u>N/A</u>	<u>N/A</u>
50. June 1, 1982	<u>N/A</u>	<u>N/A</u>
51. Total	<u>N/A</u>	<u>N/A</u>

Application and Fiscal Operations Report (FISAP)

OMB No. 1840-0073

Name of Institution Billings Vo-Tech Center

Serial Number 2408

Entity Number 1-816001649A2

Part III. National Direct Student Loan Program

SECTION A - FISCAL REPORT (CUMULATIVE) AS OF JUNE 30, 1982

NDSL ACCT. NO.	ITEM a	NO. OF BORROWERS b	DEBIT BALANCES c	CREDIT BALANCES d
1	CASH ON HAND AND IN DEPOSITORY		\$ N/A	
2	FUNDS RECEIVABLE FROM FEDERAL GOVERNMENT		\$ N/A	
3	FUNDS RECEIVABLE FROM INSTITUTION		\$ N/A	
4	FUNDS ADVANCED TO STUDENTS	N/A	\$ N/A	
5	LOAN PRINCIPAL COLLECTED	N/A		\$ N/A
5.1	DEFAULTED LOAN PRINCIPAL ASSIGNED TO AND ACCEPTED BY THE UNITED STATES	N/A		\$ N/A
6.1	TEACHING SERVICE - 10% RATE	\$	N/A	
6.2	TEACHING SERVICE - 15% RATE	\$	N/A	
6.3	MILITARY SERVICE - 12-1/2% RATE	\$	N/A	
6.4	LOAN PRINCIPAL CANCELLED ON LOANS MADE PRIOR TO JULY 1, 1972 (control)	N/A		\$ N/A
7.1	TEACHING SERVICE - 15% RATE	\$	N/A	
7.2	TEACHING SERVICE - 20% RATE	\$	N/A	
7.3	TEACHING SERVICE - 30% RATE	\$	N/A	
7.4	MILITARY SERVICE - 12-1/2% RATE	\$	N/A	
7.5	LOAN PRINCIPAL CANCELLED ON LOANS MADE JULY 1, 1972 AND AFTER (control)	N/A		\$ N/A
8	LOAN PRINCIPAL CANCELLED - DEATH	N/A		\$ N/A
9	LOAN PRINCIPAL CANCELLED - DISABILITY	N/A		\$ N/A
10	LOAN PRINCIPAL CANCELLED - BANKRUPTCY	N/A		\$ N/A
11	LOAN PRINCIPAL ADJUSTMENTS - OTHER	N/A		\$ N/A
12	FEDERAL CAPITAL CONTRIBUTIONS			\$ N/A
13	REPAYMENTS OF FUND CAPITAL TO FEDERAL GOVERNMENT		\$ N/A	
14	INSTITUTIONAL CAPITAL CONTRIBUTIONS			\$ N/A
15	REPAYMENTS OF FUND CAPITAL TO INSTITUTION		\$ N/A	
16	INTEREST INCOME ON LOANS			\$ N/A
17	OTHER INCOME			\$ N/A
18	REIMBURSEMENTS TO THE FUND OF AMOUNTS CANCELLED ON LOANS MADE JULY 1, 1972, AND AFTER			\$ N/A
19.1	COSTS OF LITIGATION	\$	N/A	
19.2	ADMINISTRATIVE EXPENSES	\$		
19.3	OTHER COLLECTION COSTS	\$		
19.4	COSTS OF LITIGATION, ADMINISTRATIVE EXPENSES, AND OTHER COLLECTION COSTS (control)		\$ N/A	
20	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972		\$ N/A	
21	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972		\$ N/A	
22	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER		\$ N/A	
23	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER		\$ N/A	
24	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DEATH		\$ N/A	
25	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DISABILITY		\$ N/A	
26	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF BANKRUPTCY		\$ N/A	
27	COST OF DEFAULTED LOAN PRINCIPAL AND INTEREST ASSIGNED TO AND ACCEPTED BY THE UNITED STATES		\$ N/A	
27.1	OTHER COSTS OR LOSSES (Specify)		\$ N/A	
28	TOTAL DEBITS AND CREDITS (sum of lines 1 through 27.1)		\$ N/A	\$ N/A

Name of Institution Billings Vo-Tech CenterSerial Number 2408Entity Number 1- 816001649A2**Section B. Calculating the Administrative Cost Allowance****STEP 1 Calculate the amount spent in 1981-82 on which the Administrative Cost Allowance is based:**

1. Total compensation in CWS (amount from Part V, Section C, line 11) \$ 6,775.00
2. CSLP employment expenditures (amount from Part V, Section C, line 10) - \$ -0-
3. Eligible expenditures for Administrative Cost Allowance calculation (line 1 minus line 2) (must be the same as Part V, Section C, line 9) \$ 6,775.00
4. Amount of NDSL funds advanced to students (amount from Part III, Section B, line 3) + \$ -0-
5. SEOG funds disbursed to students (amount from Part IV, Section C, line 5, columns a + b) + \$ 7,250.00
6. TOTAL Amount Spent (lines 3 + 4 + 5) \$ 14,025.00

STEP 2 Calculate the Administrative Cost Allowance:
(Complete only ONE Subsection)**Institutions whose total amount spent was \$2,750,000 OR LESS**

7. Enter total amount spent (line 6) \$ 14,025.00
8. Multiply x .05
9. TOTAL Administrative Cost Allowance \$ 701.00
(GO TO STEP 3)

Institutions whose total amount spent was MORE THAN \$2,750,000 but LESS THAN \$5,500,000

10. Enter total amount spent (line 6) \$
11. Subtract - \$ 2,750,000
12. Expenditures over \$2,750,000 (line 10 minus line 11) \$
13. Multiply x .04
14. Administrative Cost Allowance on expenditures over \$2,750,000 (line 12 x line 13) \$
15. Add Administrative Cost Allowance on expenditures of \$2,750,000 + \$ 137,500
16. TOTAL Administrative Cost Allowance (line 14 + line 15) \$
(GO TO STEP 3)

Institutions whose total amount spent was \$5,500,000 OR MORE

17. Enter total amount spent (line 6) \$
18. Subtract - \$ 5,500,000
19. Expenditures over \$5,500,000 (line 17 minus line 18) \$
20. Multiply x .03
21. Administrative Cost Allowance on expenditures over \$5,500,000 (line 19 x line 20) \$
22. Add Administrative Cost Allowance on expenditures of \$5,500,000 + \$ 247,500
23. TOTAL Administrative Cost Allowance (line 21 + line 22) \$
(GO TO STEP 3)

STEP 3 Decide how much Administrative Cost Allowance the Institution claimed:

24. How much Administrative Cost did the Institution claim?
(The amount may be the same or less than the amount calculated in Step 2) \$ 701.00
25. How much Administrative Cost did the Institution claim in each program?
 - a. NDSL (must usually be the same as Part III, Section B, line 4, column b; see instructions for Part III, Section B) \$ N/A
 - b. SEOG IY (must be the same as Part IV, Section C, line 6, column a) \$ 362.00
 - c. SEOG CY (must be the same as Part IV, Section C, line 6, column b) \$ N/A
 - d. CWS (must be the same as Part V, Section D, line 14) \$ 339.00

Name of Institution Billings Vo-Tech CenterSerial Number 2408 Entity Number 1- 816001649A2

SECTION C—CUMULATIVE REPAYMENT INFORMATION AS OF JUNE 30, 1982

		NUMBER OF BORROWERS a	AMOUNT LENT b	PRINCIPAL AMOUNT REPAID OR CANCELLED c	LOAN PRINCIPAL ASSIGNED TO AND ACCEPTED BY THE U.S. d	PRINCIPAL AMOUNT OUTSTANDING e	PRINCIPAL AMOUNT PAST DUE AND IN DEFAULT f	PRINCIPAL AMOUNT IN DEFERRED STATUS g
1.	Borrowers whose loans are fully retired	N/A	N/A					
2.	Borrowers whose defaulted loans were referred to and received by the U.S. on or before September 15, 1979	N/A	N/A	N/A		N/A		
3.	Borrowers whose defaulted notes were assigned by March 31, 1982 and accepted by the U.S. as of September 30, 1982	N/A	N/A	N/A	N/A			
4.1	Student status at your institution or at another institution	N/A	N/A			N/A		
4.2	First grace period	N/A	N/A			N/A		
4.3	Deferment and other grace periods	N/A	N/A			N/A		N/A
4.4	Total borrowers not in repayment status (sum of lines 4.1 through 4.3)	N/A				N/A		
5.	Borrowers on schedule in repayment status	N/A				N/A		
6.1	Less than 120 days (monthly installments)	N/A	N/A	N/A		N/A	N/A	
6.2	Less than 180 days (other installments)	N/A	N/A	N/A		N/A	N/A	
6.3	Borrowers whose accounts are past due but not in default	N/A	N/A	N/A		N/A	N/A	
6.4	Total borrowers whose accounts are currently in default/ past due but not used in computing the default rate (sum of lines 6.1 through 6.3)	N/A	N/A	N/A		N/A	N/A	
7.1	Borrowers whose defaulted loans were referred to and received by the U.S. on and after September 16, 1979	N/A	N/A	N/A		N/A	N/A	
7.2	120 days or more up to 2 years (monthly installments)	N/A	N/A	N/A		N/A	N/A	
7.3	180 days or more up to 2 years (other installments)	N/A	N/A	N/A		N/A	N/A	
7.4	More than 2 years up to 4 years	N/A	N/A	N/A		N/A	N/A	
7.5	More than 4 years up to 9 years	N/A	N/A	N/A		N/A	N/A	
7.6	More than 9 years	N/A	N/A	N/A		N/A	N/A	
7.7	Total borrowers whose accounts are currently in default & used in computing the default rate (sum of lines 7.1 through 7.6)	N/A	N/A	N/A		N/A	N/A	
8.	Total		N/A			N/A	N/A	N/A

Application and Fiscal Operations Report (FISAP)

Name of Institution Billings Vo-Tech Center Serial Number 2408 Entity Number 1- 816001649A2

Part IV. Supplemental Educational Opportunity Grants Program (SEOG)

Section A. Funds Authorized/Released for SEOG

1. Final Adjusted SEOG Authorization

	a Initial Year	b Continuing Year
	8,588.00 ⁹⁷⁵⁰	N/A

corrected on FSAP correction

Section B. Funds Available for SEOG Expenditures

2. CWS Transferred and Spent in SEOG + \$ -0- + \$ N/A

3. SEOG Transferred and Spent in CWS - \$ 131.00 - \$ N/A

4. Funds Available (IY = Lines 1 + 2 - 3)
(CY = Lines 1 + 2 - 3)

	\$ <u>8,457.00</u> ⁹⁶¹⁹	\$ <u>N/A</u>
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Section C. Funds Spent for SEOG Program

5. SEOG Disbursements to Students \$ 7,250.00 \$ N/A

6. Administrative Cost Allowance Claimed + \$ 362.00 + \$ N/A

7. Funds Spent (Lines 5 + 6) \$ 7,612.00 \$ N/A

Section D. Use of SEOG Authorization

8. Expended SEOG Authorization (Line 3 + Line 7 - Line 2) \$ 7,743.00 \$ N/A

9. Unexpended SEOG Authorization (Line 1 - Line 8) \$ ~~845.00~~ ²⁰⁰⁷ \$ N/A

Section E. Miscellaneous Information

10. Amount of SEOG Disbursements to Less Than Half-Time Students (IY and CY)
(Cannot be more than 10% of your original plus supplemental authorizations)

11. Prior Year Recoveries

	\$ <u>-0-</u>
	\$ <u>-0-</u>

Application and Fiscal Operations Report (FISAP)

 Name of Institution Billings Vo-Tech Center

 Serial Number 2408

 Entity Number 1- 816001649A2

Part V. College Work-Study Program (CWS)

Section A. Funds Authorized/Released for CWS

 1. Final Adjusted CWS Authorization \$ 4,527.00

Section B. Funds Available for CWS Expenditures

2. SEOG Funds Transferred and Spent in CWS	+	\$ <u>131.00</u>
3. CWS Funds Transferred and Spent in SEOG	-	\$ <u>-0-</u>
4. 1982-83 Funds Carried Back and Spent in 1981-82	+	\$ <u>-0-</u>
5. 1980-81 Funds Carried Forward and Spent in 1981-82	+	\$ <u>1,101.00</u>
6. 1981-82 Funds Carried Forward to be Spent in 1982-83	-	\$ <u>-0-</u>
7. 1981-82 Funds Carried Back and Spent in 1980-81	-	\$ <u>-0-</u>
8. Total Funds Available for 1981-82 (Lines 1 + 2 - 3 + 4 + 5 - 6 - 7)		\$ <u>5,759.00</u>

Section C. Total Compensation for CWS

9. Total Earned Compensation for Regular CWS Jobs		\$ <u>6,775.00</u>
10. Total Earned Compensation for Community Service Learning Program Jobs	+	\$ <u>-0-</u>
11. Total Earned Compensation for Total CWS Program (Line 9 + Line 10)		\$ <u>6,775.00</u>
12. Institutional Share of Earned Compensation (See Instructions)		\$ <u>1,355.00</u>

Section D. Funds Spent from Federal Share of CWS

13. Federal Share of CWS Disbursements to Students (Both Regular and Community Service Learning Program)		\$ <u>5,420.00</u>
14. Administrative Cost Allowance Claimed for Regular CWS Program	+	\$ <u>339.00</u>
15. Administrative Cost Allowance Claimed for CSLP (May Not Exceed 10% of Line 10)	+	\$ <u>-0-</u>
16. Federal Share of Job Location and Development Program Expenditures (May not exceed \$25,000 or 10% of the sum of lines 4 + 5 plus your original and supplemental authorizations, whichever is less.)	+	\$ <u>-0-</u>
17. Total Federal Funds Spent for CWS (Sum of Lines 13 through 16)		\$ <u>5,759.00</u>

Section E. Use of CWS Authorization

18. Expended CWS Authorization (Lines 3 + 6 + 7 + 17) minus (Lines 2 + 4 + 5)		\$ <u>4,527.00</u>
19. Unexpended CWS Authorization (Line 1 - Line 18)		\$ <u>-0-</u>

Application and Fiscal Operations Report (FISAP)

Name of Institution and State Billings Vo-Tech Center

Serial Number 002408

Entity Number 1-81-600-1649-A2

Part II. Application to Participate - For Award Year July 1, 1984 Through June 30, 1985

Section A. Request for Funds for the 1984-85 Award Year

1. NDSL Level of Expenditures \$ N/A
2. NDSL Federal Capital Contribution \$ N/A
3. SEOG Initial Year (IY) \$ 18,000
4. SEOG Continuing Year (CY) \$ 3,000
5. CWS Federal Funds \$ 20,000

Section B. CWS Institutional Match Waiver Request

(Applies only to certain schools; see instructions)

6. Do you wish to apply as an institution designated as eligible for Title III?
☐ Yes
☒ No
7. Do you wish to apply as an institution where 50% or more of its students have parents whose adjusted gross income is less than \$7,500 per year?
☐ Yes
☒ No

Section C. Request for Special CWS Funds for Students from Trust Territory/American Samoa

(Applies only to schools with students from certain areas; see instructions)

Number of students to be employed	Estimated average earnings per student (Federal & institutional shares)	Estimated Total earnings (a x b)	Federal share (Not to exceed 80% of column c)	Administrative cost allowance	Total Request (d + e)
8. a. # <u>N/A</u>	b. \$ <u>N/A</u>	c. \$ <u>N/A</u>	d. \$ <u>N/A</u>	e. \$ <u>N/A</u>	f. \$ <u>N/A</u>

Section D. Maintenance of Effort

Institutions that participated in SEOG and/or CWS in Award Year 1982-1983, complete line 9.

9. Institutional Expenditures July 1, 1982-June 30, 1983 \$ 824.66

Institutions that received SEOG and/or CWS funds for the first time in Award Year 1983-84, complete lines 10-14.

10. July 1, 1980-June 30, 1981 Expenditures \$ N/A
11. July 1, 1981-June 30, 1982 Expenditures \$ N/A
12. July 1, 1982-June 30, 1983 Expenditures \$ N/A
13. TOTAL EXPENDITURES \$ N/A
14. 3 Year Average \$ N/A

Name of Institution and State Billings Vo-Tech CenterSerial Number 002408Entity Number 1-81-600-1649-A2**Section E. Assessments and Expenditures**

	(a) Undergraduate	(b) Graduate/Professional
15. Total tuition and fees for the Award Year July 1, 1982-June 30, 1983	\$ <u>227,213</u>	\$ <u>N/A</u>
16. Total expended to fund Pell recipients for the 1982-83 Pell Grant Award Year	\$ <u>86,075</u>	
17. Total expended for State grants and scholarships made to undergraduates for the Award Year July 1, 1982 to June 30, 1983	\$ <u>4,100</u>	
18. Total expended for institutionally administered grants and scholarships made to undergraduates for the Award Year <u>JULY 1, 1977 to JUNE 30, 1978</u>	\$ <u>0</u>	

Section F. Information on Eligible Aid Applicants for Award Year 1982-83

	Total Taxable & Non-taxable Income	DEPENDENT		Total Taxable & Non-taxable Income	INDEPENDENT	
		Undergraduate	Graduate/Professional		Undergraduate	Graduate/Professional
19. \$ 0 - \$ 2,999		<u>9</u>	<u>N/A</u>	\$ 0 - \$ 999	<u>29^(c)</u>	<u>N/A^(d)</u>
20. 3,000 - 5,999		<u>17</u>	<u>N/A</u>	1,000 - 1,999	<u>13</u>	<u>N/A</u>
21. 6,000 - 8,999		<u>8</u>	<u>N/A</u>	2,000 - 2,999	<u>12</u>	<u>N/A</u>
22. 9,000 - 11,999		<u>6</u>	<u>N/A</u>	3,000 - 3,999	<u>19</u>	<u>N/A</u>
23. 12,000 - 14,999		<u>6</u>	<u>N/A</u>	4,000 - 4,999	<u>18</u>	<u>N/A</u>
24. 15,000 - 17,999		<u>7</u>	<u>N/A</u>	5,000 - 5,999	<u>13</u>	<u>N/A</u>
25. 18,000 - 20,999		<u>4</u>	<u>N/A</u>	6,000 - 6,999	<u>5</u>	<u>N/A</u>
26. 21,000 - 23,999		<u>4</u>	<u>N/A</u>	7,000 - 7,999	<u>6</u>	<u>N/A</u>
27. 24,000 - 26,999		<u>2</u>	<u>N/A</u>	8,000 - 8,999	<u>4</u>	<u>N/A</u>
28. 27,000 - 29,999		<u>3</u>	<u>N/A</u>	9,000 - 9,999	<u>4</u>	<u>N/A</u>
29. 30,000 - 32,999		<u>0</u>	<u>N/A</u>	10,000 - 10,999	<u>6</u>	<u>N/A</u>
30. 33,000 - 35,999		<u>0</u>	<u>N/A</u>	11,000 - 11,999	<u>1</u>	<u>N/A</u>
31. 36,000 - 38,999		<u>0</u>	<u>N/A</u>	12,000 - 12,999	<u>3</u>	<u>N/A</u>
32. 39,000 - 41,999		<u>0</u>	<u>N/A</u>	13,000 - 13,999	<u>2</u>	<u>N/A</u>
33. 42,000 - 44,999		<u>0</u>	<u>N/A</u>	14,000 - 14,999	<u>1</u>	<u>N/A</u>
34. 45,000 - OVER		<u>0</u>	<u>N/A</u>	15,000 - OVER	<u>2</u>	<u>N/A</u>
35. Total		<u>66</u>	<u>N/A</u>	Total	<u>138</u>	<u>N/A</u>

Section G. Information on Enrollment

(Institutions with TRADITIONAL CALENDAR)

(Institutions with NON-TRADITIONAL CALENDAR)

Institutions that had Fall 1982 enrollment, fill in line 36.

	(a) Undergraduate	(b) Graduate/Professional
36. Total number of students, Fall, 1982	<u>400</u>	<u>N/A</u>

Institutions that did not have Fall 1982 enrollment, fill in lines 37 and 38.

	(a) Undergraduate	(b) Graduate/Professional
37. Estimated number of students, Fall, 1983	<u>N/A</u>	<u>N/A</u>
38. Projected number of students, Fall, 1984	<u>N/A</u>	<u>N/A</u>

	(a) Continuing Students	(b) New Starts
39. July 1, 1982	<u>N/A</u>	<u>N/A</u>
40. August 1	<u>N/A</u>	<u>N/A</u>
41. September 1	<u>N/A</u>	<u>N/A</u>
42. October 1	<u>N/A</u>	<u>N/A</u>
43. November 1	<u>N/A</u>	<u>N/A</u>
44. December 1	<u>N/A</u>	<u>N/A</u>
45. January 1, 1983	<u>N/A</u>	<u>N/A</u>
46. February 1	<u>N/A</u>	<u>N/A</u>
47. March 1	<u>N/A</u>	<u>N/A</u>
48. April 1	<u>N/A</u>	<u>N/A</u>
49. May 1	<u>N/A</u>	<u>N/A</u>
50. June 1, 1983	<u>N/A</u>	<u>N/A</u>
51. Total	<u>N/A</u>	<u>N/A</u>

Name of Institution
and State

Billings Vo-Tech Center

Serial
Number 002408Entity
Number 1- 81 - 600 - 1649 - A2

Part III. National Direct Student Loan Program

SECTION A - FISCAL REPORT (CUMULATIVE) AS OF JUNE 30, 1983

NDSL ACCT. NO.	ITEM a	NO. OF BORROWERS b	DEBIT BALANCES c	CREDIT BALANCES d
1	CASH ON HAND AND IN DEPOSITORY		\$ N/A	
2	FUNDS RECEIVABLE FROM FEDERAL GOVERNMENT		\$ N/A	
3	FUNDS RECEIVABLE FROM INSTITUTION		\$ N/A	
4	FUNDS ADVANCED TO STUDENTS	N/A	\$ N/A	
5	LOAN PRINCIPAL COLLECTED	N/A		\$ N/A
5.1	DEFAULTED LOAN PRINCIPAL ASSIGNED TO AND ACCEPTED BY THE UNITED STATES	N/A		\$ N/A
6.1	TEACHING SERVICE - 10% RATE \$ N/A	N/A		
6.2	TEACHING SERVICE - 15% RATE \$ N/A	N/A		
6.3	MILITARY SERVICE - 12-1/2% RATE \$ N/A	N/A		
6.4	LOAN PRINCIPAL CANCELLED ON LOANS MADE PRIOR TO JULY 1, 1972 (control)	N/A		\$ N/A
7.1	TEACHING SERVICE - 15% RATE \$ N/A	N/A		
7.2	TEACHING SERVICE - 20% RATE \$ N/A	N/A		
7.3	TEACHING SERVICE - 30% RATE \$ N/A	N/A		
7.4	MILITARY SERVICE - 12-1/2% RATE \$ N/A	N/A		
7.5	LOAN PRINCIPAL CANCELLED ON LOANS MADE JULY 1, 1972 AND AFTER (control)	N/A		\$ N/A
8	LOAN PRINCIPAL CANCELLED - DEATH	N/A		\$ N/A
9	LOAN PRINCIPAL CANCELLED - DISABILITY	N/A		\$ N/A
10	LOAN PRINCIPAL CANCELLED - BANKRUPTCY	N/A		\$ N/A
11	LOAN PRINCIPAL ADJUSTMENTS - OTHER	N/A		\$ N/A
12	FEDERAL CAPITAL CONTRIBUTIONS			\$ N/A
13	REPAYMENTS OF FUND CAPITAL TO FEDERAL GOVERNMENT		\$ N/A	
14	INSTITUTIONAL CAPITAL CONTRIBUTIONS			\$ N/A
15	REPAYMENTS OF FUND CAPITAL TO INSTITUTION		\$ N/A	
16	INTEREST INCOME ON LOANS			\$ N/A
17	OTHER INCOME			\$ N/A
18	REIMBURSEMENTS TO THE FUND OF AMOUNTS CANCELLED ON LOANS MADE JULY 1, 1972, AND AFTER			\$ N/A
19.1	COSTS OF LITIGATION \$ N/A	N/A		
19.2	ADMINISTRATIVE EXPENSES \$ N/A			
19.3	OTHER COLLECTION COSTS \$ N/A			
19.4	COSTS OF LITIGATION, ADMINISTRATIVE EXPENSES, AND OTHER COLLECTION COSTS (control)		\$ N/A	
20	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972		\$ N/A	
21	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972		\$ N/A	
22	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER		\$ N/A	
23	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER		\$ N/A	
24	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DEATH		\$ N/A	
25	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DISABILITY		\$ N/A	
26	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF BANKRUPTCY		\$ N/A	
27	COST OF DEFAULTED LOAN PRINCIPAL AND INTEREST ASSIGNED TO AND ACCEPTED BY THE UNITED STATES		\$ N/A	
27.1	OTHER COSTS OR LOSSES (Specify)		\$ N/A	
28	TOTAL DEBITS AND CREDITS (sum of lines 1 through 27.1)		\$ N/A	\$ N/A

Application and Fiscal Operations Report (FISAP)

 Name of Institution and State Billings Vo-Tech Center

 Serial Number 002408

 Entity Number 1- 81 - 600 - 1649 - A2

Part IV. Supplemental Educational Opportunity Grants Program (SEOG)

For Award Year July 1, 1982 Through June 30, 1983

Section A. Funds Authorized/Released for SEOG

	a Initial Year Allocation	b Continuing Year Allocation
1. Final Adjusted SEOG Authorization <u>9-30-82</u> date of adj.	\$ <u>6,268</u>	\$ <u>696</u>

Section B. Funds Available for SEOG Expenditures

2. CWS Transferred to and Spent in SEOG	+ \$ <u>0</u>	+ \$ <u>0</u>
3. SEOG Transferred to and Spent in CWS	- \$ <u>0</u>	- \$ <u>0</u>
4. Funds Available (IY = Lines 1 + 2 - 3) (CY = Lines 1 + 2 - 3)	\$ <u>6,268</u>	\$ <u>696</u>

Section C. Funds Spent for SEOG Program

5. SEOG Disbursements to Students	\$ <u>5,100</u>	\$ <u>600</u>
6. Administrative Cost Allowance Claimed	+ \$ <u>255</u>	+ \$ <u>30</u>
7. Funds Spent (Lines 5 + 6)	\$ <u>5,355</u>	\$ <u>630</u>

Section D. Use of SEOG Authorization

8. Expended SEOG Authorization (Line 3 + Line 7 - Line 2)	\$ <u>5,355</u>	\$ <u>630</u>
9. Unexpended SEOG Authorization (Line 1 - Line 8) (cannot be negative)	\$ <u>913</u>	\$ <u>66</u>

Section E. Miscellaneous Information

10. Amount of SEOG Disbursements to Less than Half-Time Students (IY and CY) (Cannot be more than 10% of your 1982-83 original and supplemental authorizations plus line 3 of Part V).	\$ <u>0</u>
11. Prior Year Recoveries	\$ <u>0</u>

Application and Fiscal Operations Report (FISAP)

Name of Institution
and State

Billings Vo-Tech Center

Serial

Number 002408

Entity

Number 1-81-600-1649-A2

Part V. College Work-Study Program (CWS) For Award Year July 1, 1982 Through June 30, 1983

Section A. Funds Authorized/Released for CWS

1. Final Adjusted CWS Authorization

9-30-82

date of
adj.

\$ 4,211

Section B. Funds Available for CWS Expenditures

2. SEOG Funds Transferred to and Spent in CWS

+ \$ 0

3. CWS Funds Transferred to and Spent in SEOG

- \$ 0

4. 1983-84 Funds Carried Back and Spent in 1982-83

+ \$ 0

5. 1981-82 Funds Carried Forward and Spent in 1982-83

+ \$ 0

6. 1982-83 Funds Carried Forward to be Spent in 1983-84

- \$ 421

7. 1982-83 Funds Carried Back and Spent in 1981-82

- \$ 0

8. Total Funds Available for 1982-83 (Lines 1 + 2 - 3 + 4 + 5 - 6 - 7)

\$ 3,790

Section C. Total Compensation for CWS

9. Total Earned Compensation for Regular CWS Jobs

\$ 4,123

10. Total Earned Compensation for Community Service Learning Program Jobs

+ \$ 0

11. Total Earned Compensation for Total CWS Program (Line 9 + Line 10)

\$ 4,123

12. Institutional Share of Earned Compensation (See Instructions)

\$ 825

Section D. Funds Spent from Federal Share of CWS

13. Federal Share of CWS Disbursements to Students (Both Regular and Community Service Learning Program)

\$ 3,298

14. Administrative Cost Allowance Claimed for Regular CWS Program

+ \$ 206

15. Administrative Cost Allowance Claimed for CSLP (May Not Exceed 10% of Line 10)

+ \$ 0

16. Federal Share of Job Location and Development Program Expenditures (The lesser of \$25,000 or 10% of (your 1982-83 original and supplemental authorizations plus lines 4 and 5 of Part V)).

+ \$ 0

17. Total Federal Funds Spent for CWS (Sum of Lines 13 through 16)

\$ 3,504

Section E. Use of CWS Authorization

18. Expended CWS Authorization (Lines 3 + 6 + 7 + 17) minus (Lines 2 + 4 + 5)

\$ 3,925

19. Unexpended CWS Authorization (Line 1 - Line 18)

\$ 286

Name of Institution
and State

Billings Vo-Tech Center

Serial

Number 002408

Entity

Number 1- 81 600 - 1649 - A2

Administrative Cost Allowance Worksheet (Worksheet must be retained for audit and program reviews)

Section B. Calculating the Administrative Cost Allowance

STEP 1 Calculate the amount spent in 1982-83 on which the Administrative Cost Allowance is based:

1. Total compensation in CWS (amount from Part V, Section C, line 11) \$ 4,123.00
2. CSLP employment expenditures (amount from Part V, Section C, line 10) - \$ 0
3. Eligible expenditures for Administrative Cost Allowance calculation (line 1 minus line 2) (must be the same as Part V, Section C, line 9) \$ 4,123.00
4. Amount of NDSL funds advanced to students (amount from Part III, Section B, line 3) + \$ 0
5. SEOG funds disbursed to students (amount from Part IV, Section C, line 5, columns a + b) + \$ 5,700.00
6. TOTAL Amount Spent (lines 3 + 4 + 5) \$ 9,823.00

STEP 2 Calculate the Administrative Cost Allowance:

(Complete only ONE Subsection)

Institutions whose total amount spent was \$2,750,000 OR LESS

7. Enter total amount spent (line 6) \$ 9,823.00
 8. Multiply x .05
 9. TOTAL Administrative Cost Allowance \$ 491.15
- (GO TO STEP 3)

Institutions whose total amount spent was MORE THAN \$2,750,000 but LESS THAN \$5,500,000

10. Enter total amount spent (line 6) \$
 11. Subtract - \$ 2,750,000
 12. Expenditures over \$2,750,000 (line 10 minus line 11) \$
 13. Multiply x .04
 14. Administrative Cost Allowance on expenditures over \$2,750,000 (line 12 x line 13) \$
 15. Add Administrative Cost Allowance on expenditures of \$2,750,000 + \$ 137,500
 16. TOTAL Administrative Cost Allowance (line 14 + line 15) \$
- (GO TO STEP 3)

Institutions whose total amount spent was \$5,500,000 OR MORE

17. Enter total amount spent (line 6) \$
 18. Subtract - \$ 5,500,000
 19. Expenditures over \$5,500,000 (line 17 minus line 18) \$
 20. Multiply x .03
 21. Administrative Cost Allowance on expenditures over \$5,500,000 (line 19 x line 20) \$
 22. Add Administrative Cost Allowance on expenditures of \$5,500,000 + \$ 247,500
 23. TOTAL Administrative Cost Allowance (line 21 + line 22) \$
- (GO TO STEP 3)

STEP 3 Decide how much Administrative Cost Allowance the Institution claimed:

24. How much Administrative Cost did the Institution claim? \$ 491.00
(The amount may be the same or less than the amount calculated in Step 2)
25. How much Administrative Cost did the Institution claim in each program?
 - a. NDSL (must usually be the same as Part III, Section B, line 4, see instructions for Part III, Section B) \$ N/A
 - b. SEOG IY (must be the same as Part IV, Section C, line 6, column a) \$ 255.00
 - c. SEOG CY (must be the same as Part IV, Section C, line 6, column b) \$ 30.00
 - d. CWS (must be the same as Part V, Section D, line 14) \$ 206.00



PELL GRANTS

1982-83 AWARD YEAR

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

SECTION I GENERAL INFORMATION (Complete only if information below is incomplete or incorrect)

1 PELL INST NO 010126
2 ENTITY NO 1114001149A2
3 Institution NAME and ADDRESS
PELL INDC VCC-TECH CENTER
3001 CENTRAL AVENUE
PELL INDC MT 59102
☐ Check here when NAME and/or ADDRESS has been changed and indicate changes below

4 Type of institution
2-4455
1 ☐ Less than one year
2 ☐ One year but less than two years
3 ☐ Two years but less than three years
4 ☐ Three years but less than four years
5 ☐ Four years (baccalaureate degree only)
6 ☐ Five years or more

5 Financial Control
PUBLIC
1 ☐ Public
2 ☐ Private, nonprofit
3 ☐ Proprietary

6 1982-83 Undergraduate Enrollment
A Full-time 475
8 Part-time (at least half-time) 13

7 Term Type
QUARTER
1 ☐ Credit Hour
2 ☐ Quarter
3 ☐ Semester
4 ☐ Trimester
5 ☐ Clock Hour

8 Length of Academic Year (from 7/1/82 to 6/30/83) on which costs below are based
90 MONTHS

9 Average Cost of Attendance (per Full-time Undergraduate Student)
A Tuition and Fees (In-State) \$ 450
B Room (On-Campus) \$ 1/A
C Board (On-Campus) \$ 1/A
D \$ 600
E \$ 1/A
F \$ 1/A

SECTION II REPORT OF EXPENDITURES AND RECIPIENTS

10 Report for: (Check One Box Only)
1 ☐ October 31
2 ☐ February 28
3 ☒ June 30
4 ☐ AD HOC Change in ED Approved Authorization (Use between reporting periods)
5 ☐ Revised June 30 (Use only if June 30 report previously filed)

11 Ending Date of Period Covered by this report 5/25/83
12 Gross Expenditures and Recipients (to date for current award year)
13 Less Recoveries (to date for current award year only)
14 Net Expenditures (to date for current award year only)
15 Additional Amount for Present Recipients (for remainder of current award year)
16 Estimated Additional Expenditures and Recipients (for remainder of current award year)
17 Total Estimated Expenditures and Recipients (for ENTIRE award year 7/1/82-6/30/83)
18 Current ED Approved Authorization as of 6/30/83 176
19 Institution's Requested Authorization Adjustment

1A) Amount (DOLLARS ONLY)		1B) Count	
12	\$ 86,075	12	153
13	\$ 0	13	0
12 - 13 =			
14	\$ 86,075		
15	\$ 0		
16	\$ 0	16	0
14 + 15 + 16 =		12 + 16 =	
17	\$ 86,075	17	153
18	\$ 79,771		
17 - 18 =			
19	\$ -13,896		
20	\$ 0	20	0
21		21	122
22		22	32
21 + 22 =			
23		23	154
24		24	0

20 Part-time students Expenditures and Recipients (for ENTIRE award year)
21 Number of Student Aid Reports Previously Submitted
22 Number of Student Aid Reports Submitted with this Report
23 Total Number of Student Aid Reports Submitted
24 Number of enrolled students with eligible SARs But Not Yet Paid (Amount and Count should be included in Items 16A and 16B)

Official responsible for this PROGRESS REPORT (Report must be signed and mailed to P.O. Box 2468, WASHINGTON, D. C. 20013)

25 Name Jack D. Holzer
26 Title Financial Aid Officer
27 Phone (406) 652-1720 Date Signed 6-9-83
28 SIGNATURE

CERTIFICATION - I certify that I have examined this Institutional Progress Report, including the accompanying Student Aid Report data, and all information is true and complete to the best of my knowledge. I understand that if I knowingly make false or misleading statements on this report, am subject to a fine of up to \$10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001)

ED FORM 255-3, 6/82

(20 USC 1070a, 34CFR 690.1)

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INSTITUTION COPY



INSTITUTIONAL PROGRESS REPORT FOR
BASIC EDUCATIONAL OPPORTUNITY GRANTS
1981-82 AWARD PERIOD

U. S. DEPARTMENT OF EDUCATION
OFFICE OF
POSTSECONDARY EDUCATION
FORM APPROVED
FEDAC No. R 148

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

SECTION I: GENERAL INFORMATION (Complete only if information below is incomplete or incorrect)

BEOG ID NO 010166
ENTITY NO 1816001649A2
Institution NAME and ADDRESS
STILLINGS VOC-TECH CENTER
7807 CENTRAL AVENUE
STILLINGS MT 59102

☐ Check here when NAME and/or ADDRESS has been changed and indicate changes below:

Type of Institution: 1 ☐ Less than one year 2 ☐ One year but less than two years 3 ☐ Two years but less than three years
2-4 years 4 ☐ Three years but less than four years 5 ☐ Four years (baccalaureate degree only) 6 ☐ Five years or more
Financial Control: 1 ☐ Public 2 ☐ Private, nonprofit 3 ☐ Proprietary
1981-82 Undergraduate Enrollment: A Full time 474 B Part time 12
Term Type: 1 ☐ Credit Hour 2 ☐ Quarter 3 ☐ Semester
QUARTER 4 ☐ Trimester 5 ☐ Clock Hour

Length of Academic Year (from 7/1/81 to 6/30/82) on which charges below are based 29 MONTHS

Average Charges per Full-time Undergraduate Student
A Tuition and Fees (In State) \$ 700
B Room (On Campus) \$ N/A
C Board (On Campus) \$ N/A
D \$
E \$
F \$
1981-82 1982-83 (Estimated)

SECTION II: REPORT OF EXPENDITURES AND RECIPIENTS

Report for (Check One Box Only)

1 ☐ October 31 2 ☐ February 28 3 ☐ June 30
4 ☐ AD-HOC Change in ED Approved Authorization (Use between reporting periods) 5 ☒ Revised June 30 (Use only if June 30 report previously filed)

Date report prepared 7 / 19 / 82

(A) Amount (DOLLARS ONLY)

(B) BEOG Recipients

Gross Expenditures (actual payments to students to date for current award period)

12	\$	121,365	12	227
13	\$	4	13	1
12 + 13 =				
14	\$	121,361		
15	\$	0		
16	\$	0	16	0
14 + 15 + 16 =			12 + 16 =	
17	\$	121,361	17	227
18	\$	121,361		
17 - 18 =			+	
19	\$	0	-	
20	\$	0	20	0
21			21	227
22			22	1
21 + 22 =				
23			23	227
24			24	0

Less Refundables to date for current award period only

Net Expenditures to date for current award period only

Additional Amount for Present Recipients (for remainder of current award period)

Estimated Additional Expenditures and Recipients (for remainder of current award period)

Total Estimated Expenditures and Recipients (for ENTIRE award period: 7/1/81-6/30/82)

Current ED Approved Authorization as of 06/24/82 245

Institution's Requested Authorization Adjustment

Part-time students Expenditures and Recipients (for ENTIRE award period)

Number of Student Eligibility Reports Previously Submitted

Number of Student Eligibility Reports Submitted with this Report

Total Number of Student Eligibility Reports Submitted

Number of SERs On Hand But Not Yet Paid (Amount and Count should be included in Items 16A and 16B)

Official responsible for this PROGRESS REPORT must be signed and mailed to P. O. Box 2468, WASHINGTON, D. C. 20013

Name Jack D. Holzer
Title Financial Aid Officer
Phone (406) 652-1720
Signature

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form may be subject to a fine of up to \$10,000 or to imprisonment of up to 5 years or both, or to provisions of the United States Criminal Code. Such provisions are contained in 18 U.S.C. 1001. ED FORM 255.3 6/81 (20 USC 1070a-34CFR 690.84)

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INSTITUTION COPY

BILLINGS VOCATIONAL TECHNICAL CENTER

Billings High School District
Number Two
Phone (406) 652-1720

3803 Central Avenue
Billings, Montana
59102

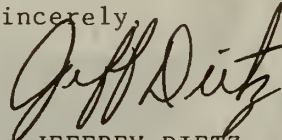
October 24, 1983

Mrs. Peggy Biekert, CPA
POB 1301
Bozeman, MT 59715

Dear Mrs. Biekert:

Enclosed is the Center's response to the recommendations made in connection with your audit of the Center for the previous two fiscal years ending June 30, 1983. The Center is in agreement with all recommendations and will modify those policies and procedures within our scope of operation to implement the changes suggested. The Center will also cooperate with the various agencies involved in an effort to effect those recommendations over which we have no direct control.

Sincerely,



J. JEFFREY DIETZ
Acting Director

JJD/cs

Enclosures

cc: Gary Rogers

BILLINGS VOCATIONAL TECHNICAL CENTER

Audit Response

Part I Financial Statements

Recommendations No. 1: General Fund Revisions

We agree with this recommendation.

Those agencies involved should implement procedures which would eliminate over or under collection of millage.

Recommendation No. 2: Payroll System

We agree with this recommendation.

The Office of Public Instruction should seek resolution of this discrepancy.

Recommendation No. 3: Income Tax Withholding

We agree with this recommendation.

Recommendation No. 4: Cash Elimination

We agree with this recommendation.

The Center willingly will work with the Office of Public Instruction and the Department of Administration to resolve this problem.

Recommendation No. 5: DFAFS Funded Programs

We agree with this recommendation.

Procedures will be implemented to properly record, receipt and disburse financial aid funds.

Recommendation No. 6: Unrecorded Work Order Receivables

We agree with this recommendation.

Procedures will be implemented to properly record work order transactions.

Recommendation No. 7: Cash Transfer

We agree with this recommendation.

The Center will willingly work with the Office of Public Instruction to establish appropriate administering agencies.

Recommendation No. 8: Accounts Receivable

We agree with this recommendation.

Recommendation No. 9: Inventory

We agree with this recommendation.

The Center will record and account for inventory according to generally accepted accounting principles.

Recommendation No. 10: Endowment

We agree with this recommendation.

Procedures will be developed to administer and account for endowment funds.

Recommendation No. 11: Expenditure Programs

We agree with this recommendation.

The Center will willingly work with the Office of Public Instruction and the Department of Administration in developing and implementing proper accounting principles for expenditure programs and budgets.

Recommendation No. 12: Fund Structure

We agree with this recommendation.

Recommendation No. 13: Internal Controls

We agree with this recommendation.

Property records recorded on PAMS do not provide the necessary supporting data as originally reported to the Department of Administration; therefore, the Department of Administration should review its system for property accountability.

Part II Financial Aid

Recommendation No. 1: DFAF's Funded Programs

We agree with this recommendation.

Recommendation No. 2: Excess Cash

We agree with this recommendation.

Recommendation No. 3: ED 868 Report

We agree with this recommendation.

Recommendation No. 4: Maintenance of Level Effort

We agree with this recommendation.



OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL
HELENA, MONTANA 59620
(406) 449-3095

Ed Argenbright
Superintendent

October 28, 1983

Ms. Peggy J. Biekert, CPA
234 E. Babcock
P.O. Box 1301
Bozeman, Montana 59715

Dear Ms. Biekert:

The Office of Public Instruction, Department of Vocational Education Services, has reviewed your draft audit report for the Billings Vocational Technical Center.

Concurrence with recommendations numbered 1, 3, 5, 6, 8, 9, 10, 11, 12, and 13 is herewith submitted.

Recommendation 2 - We recommend the Center, in consultation with the Office of Public Instruction, use the State's central payroll system or seek legislative authority to use another system.

Response: The Office of Public Instruction has received a commitment from Central Payroll Division that written approval of exemption from the state payroll system will be issued in November 1983. Each Center will be given a copy for future audit purposes.

Recommendation 4: We recommend the Center work with the Department of Administration and eliminate intrafund cash transactions at fiscal year-end.

Response: The Department of Administration has adopted procedures which the Office of Public Instruction and Centers must follow. It is entirely possible that an error was made due to new personnel at the Center who are unfamiliar with SBAS. Correction will be made to insure the proper procedures.

Recommendation 7A - Concur.

Recommendation 7B - Return to the State \$9,274 that was debited to cash in the 02856 Tuition account. This cash amount was the 1981-82 cash balance.

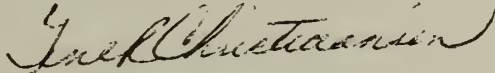
Response: Analysis of the problem has provided the Office of Public Instruction the knowledge that an accounts receivable status of tuition was in operation at the Center. The receivable account may have been due to agencies outside of the Center not paying tuition at the start of the program. Corrective action has been implemented. Over collections of tuition revenue should be returned to the state general fund.

P. Biekert
10/28/83
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The Office of Public Instruction concurs with the recommendations under the Financial Aid section of the audit.

Appreciation is extended for the assistance that the audit has provided.

Sincerely,



GENE R. CHRISTIAANSEN
Assistant Superintendent
Department of Vocational Education Services

cmw

xc: E. Argenbright
W. Anderson
T. Chesbro

